FOREIGN AFFAIRS

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SEPTEMBER 15, 1922

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FOREIGN AFFAIRS

Vol. I SEPTEMBER 15, 1922 No. 1

EDITORIAL STATEMENT

Foreign Affairs represents an effort to meet what we believe to be a real need. There are in America today excellent reviews of a general nature in which one can often find articles dealing with international topics. There are also special reviews devoted to such subjects as history or economics or international law, which likewise discuss current questions. And there are more popular periodicals, some of which treat exclusively of matters relating to foreign lands. We believe, however, that there is a place as yet unfilled for a review whose dominant purpose is to promote the discussion of current questions of international interest and to serve as the natural medium for the expression of the best thought, not only of this country, but of Europe when it wishes to address itself on these topics to the American public. The *Journal of International Relations* has for several years striven to supply this want and has printed many valuable articles. We have taken over its inheritance and good will and are appealing to a wider public.

In pursuance of its ideals *Foreign Affairs* will not devote itself to the support of any one cause, however worthy. Like the Council on Foreign Relations from which it has sprung it will tolerate wide differences of opinion. Its articles will not represent any consensus of beliefs. What is demanded of them is that they shall be competent and well informed, representing honest opinions seriously held and convincingly expressed. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries *Foreign Affairs* can do more to guide American public

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opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any article, signed or unsigned, which appear in its pages. What it does accept is the responsibility for giving them a chance to appear there.

A. C. C.

The articles in *Foreign Affairs* will deal with questions of international interest today. They will cover a broad range of subjects, not only political but historical and economic, and they will be accompanied, when it is desirable, by maps and diagrams. Technical articles will be left to more special magazines. There will be numerous foreign contributors, but the fact that the interest and profit of the American reader are a first consideration will not be forgotten. It is planned to have in each number a study of some subject based on a review of recent books, following a practice which has been long and ably maintained in certain English periodicals since before the days of Macaulay but which has found few imitators in the United States. On the other hand, owing to the large number of satisfactory current bibliographies and book reviews, it has not seemed worth while merely to add more of the standard kind. Instead, *Foreign Affairs* will contain a selected bibliography with a brief comment on the nature of each book. This will furnish the reader with the titles of the more important works dealing with international questions which have appeared in the last few months, together with an indication in each case which will aid him in deciding whether he wishes to follow the subject further. Finally, there will be a rather extensive list of recent official publications in the same field. It will be in two parts, the first describing documents which have been officially printed in accessible form, the second noting those which though official in matter must be sought, for the present, in magazines and newspapers.

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A REQUISITE FOR THE SUCCESS OF POPULAR DIPLOMACY

By Elihu Root

THE control of foreign relations by modern democracies creates a new and pressing demand for popular education in international affairs. When the difficult art of regulating the conduct of nations toward each other, in such a way as to preserve rights and avoid offense and promote peaceful intercourse, was left to the foreign offices of the world the public in each country could judge policies by results, and, in the various ways by which public opinion expresses itself, could reward or punish the success or failure of government. To perform that particular function it was not very important that the public should be familiar with the affairs out of which success or failure came. That condition, however, is passing away. In the democratic countries generally, the great body of citizens are refusing to wait until negotiations are over or policies are acted upon or even determined. They demand to know what is going on and to have an opportunity to express their opinions at all stages of diplomatic proceedings. This tendency is due partly to a desire to escape from certain well recognized evils in diplomacy as it has been practiced. It is due in part doubtless to the natural disposition of democracies to revert to the conditions which existed before the invention of representative government and thus to avoid the temporary inequalities involved in delegations of power to official representatives however selected.

The new condition has undoubtedly been accelerated by the great war and its lessons. We have learned that war is essentially a popular business. All the people in the countries concerned are enlisted in carrying it on. It cannot be carried on without their general participation. And whoever wins the war all the people of all the countries involved suffer grievous consequences. There is a general conviction that there has been something wrong about the conduct of diplomacy under which peoples have so often found themselves embarked in war without intending it and without wishing for it and there is a strong desire to stop that sort of thing. Democracies determined to control their own destinies object to being led, without their knowledge, into situations where they have no choice.

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The demand for open diplomacy and contemporaneous public information, although in its application there is frequently an element of mere curiosity or news gathering business, nevertheless rests upon the substantial basis of democratic instinct for unhampered self-government. It is incident to the awakening sense of opportunity which, among the unskilled majority, has followed the exercise of universal suffrage, the spread of elementary education, and the revelation of the power of organization. The change is therefore not to be considered as temporary but as a step in the direct line of development of democratic government, which, according to the nature of democracies, will not be retraced. The new conditions and such developments as may grow from them, are the conditions under which diplomacy will be carried on hereafter. Of course, as in all practical human affairs, limitations and safeguards will be found necessary, but the substance will continue, and public opinion will be increasingly not merely the ultimate judge but an immediate and active force in negotiation.

The usefulness of this new departure is subject to one inevitable condition. That is, that the democracy which is undertaking to direct the business of diplomacy shall learn the business. The controlling democracy must acquire a knowledge of the fundamental and essential facts and principles upon which the relations of nations depend. Without such a knowledge there can be no intelligent discussion and consideration of foreign policy and diplomatic conduct. Misrepresentation will have a clear field and ignorance and error will make wild work with foreign relations. This is a point to which the sincere people who are holding meetings and issuing publications in opposition to war in general may well direct their attention if they wish to treat the cause of disease rather than the effects. Given the nature of man, war results from the spiritual condition that follows real or fancied injury or insult. It is a familiar observation that in most wars each side believes itself to be right and both pray with equal sincerity for the blessing of heaven upon their arms. Back of this there must lie a mistake. However much ambition, trade competition, or sinister personal motives of whatever kind, may have led towards the warlike situation, two great bodies of human beings, without whose consent war cannot be carried on, can never have come to two diametrically opposed genuine beliefs as

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to the justice of the quarrel without one side or the other, and probably both, being mistaken about their country's rights and their country's duties. Here is the real advantage of the change from the old diplomacy to the new. Irresponsible governments may fight without being in the least degree mistaken about their rights and duties. They may be quite willing to make cannon fodder of their own people in order to get more territory or more power; but two democracies will not fight unless they believe themselves to be right. They may have been brought to their belief by misrepresentation as to facts, by a misunderstanding of rules of right conduct, or through having the blank of ignorance filled by racial or national prejudice and passion to the exclusion of inquiry and thought; but they will fight not because they mean to do wrong but because they think they are doing right. When foreign affairs were ruled by autocracies or oligarchies the danger of war was in sinister purpose. When foreign affairs are ruled by democracies the danger of war will be in mistaken beliefs. The world will be the gainer by the change, for, while there is no human way to prevent a king from having a bad heart, there is a human way to prevent a people from having an erroneous opinion. That way is to furnish the whole people, as a part of their ordinary education, with correct information about their relations to other peoples, about the limitations upon their own rights, about their duties to respect the rights of others, about what has happened and is happening in international affairs, and about the effects upon national life of the things that are done or refused as between nations; so that the people themselves will have the means to test misinformation and appeals to prejudice and passion based upon error.

This is a laborious and difficult undertaking. It must be begun early and continued long, with patience and persistence, but it is the very same process as that by which all the people of the great democracies have learned within their own countries to respect law and to follow wise and salutary customs in their communities, and to consider the rights of others while they assert their own rights, and to maintain orderly self-government.

It so happens that our own people in the United States have been peculiarly without that kind of education in foreign affairs. Not only have we been very busy over the development of our own country and our own institutions, but our comparatively isolated position has prevented the foreign relations of the old

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world from becoming matters of immediate vital interest to the American people, and they have not been interested in the subject. Naturally enough a great part of our public men have neglected to study the subject. The great body of Americans in office would study questions of transportation and tariff and internal improvements and currency because their constituents were interested in these subjects; but there was no incentive for them to study foreign affairs because their constituents were indifferent to them. The conditions are now widely different. Our people have been taught by events to realize that with the increased intercommunication and interdependence of civilized states all our production is a part of the world's production, and all our trade is a part of the world's trade, and a large part of the influences which make for prosperity or disaster within our own country consist of forces and movements which may arise anywhere in the world beyond our direct and immediate control. I suppose that the people of the United States have learned more about international relations within the past eight years than they had learned in the preceding eighty years. They are, however, only at the beginning of the task.

The subject is extensive and difficult and a fair working knowledge of it, even of the most general kind, requires long and attentive study. Underlying it are the great differences in the modes of thought and feeling of different races of men. Thousands of years of differing usages under different conditions forming different customs and special traditions have given to each separate race its own body of preconceived ideas, its own ways of looking at life and human conduct, its own views of what is natural and proper and desirable. These prepossessions play the chief part in determining thought and action in life. Given two groups of men, each having a different inheritance of custom and tradition, and each will have a different understanding of written and spoken words, of the reasons for conduct and the meaning of conduct, and each will to a very considerable degree fail to understand the other. Neither can judge the other by itself. If the instinctive occidental reformer and the instinctive oriental fatalist are to work together they must make biological studies of each other. Add to these differences the selfish passions which have not yet been bred out of mankind and there inevitably follow in the contacts of international intercourse a multitude of situations which cannot be solved by the men of any one nation assuming

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that the rest of the world is going to think and feel as they themselves do and to act accordingly.

The organization of independent nations which has followed the disappearance of the Holy Roman Empire is in the main the outgrowth of that progress in civilization which leads peoples to seek the liberty of local self-government according to their own ideas. Whatever may be the form of local governments there can be no tyranny so galling as the intimate control of the local affairs of life by foreign rulers who are entirely indifferent to the local conceptions of how life ought to be conducted. National independence is an organized defense against that kind of tyranny. Probably the organization of nations is but a stage of development but it is the nearest that mankind has yet come towards securing for itself a reasonable degree of liberty with a reasonable degree of order.

It is manifest that the differences of thought and feeling and selfish desire which separate nations in general have to be dealt with in particular in the multitude of controversies which are sure to arise between them and between their respective citizens in a world of universal trade and travel and inter-communication. The process of such adjustment without war is the proper subject of diplomacy. During some centuries of that process many usages have grown up which have been found necessary or convenient for carrying on friendly intercourse, and many of these have hardened into generally accepted customs in manners or in morals which no longer require to be discussed but which every nation has a right to assume that other nations will observe. Many rules of right conduct have been accepted and universally agreed upon as law to govern the conduct of nations. In England and America these rules of international law are authoritatively declared to be a part of the municipal law of the country enforceable by the courts. In this way the nations founded upon differences have been gradually rescuing from the field of difference and controversy, and transferring to the field of common understanding and agreement, one subject after another of practical importance in the affairs of the world. The process is in the direction of that unity of thought and feeling, the absence of which hitherto has caused the failure of all schemes and efforts for the unity of mankind. The study of international relations means not only study of some particular controversy but study of this long history of the process of adjustment between differing

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ideas and of the prejudices and passions and hitherto irreconcilable differences which have baffled adjustment and which affect the relations and probable conduct of the nations concerned. All these are in the background of every international question and are often of vital importance to its right understanding.

The process I have described has created a community of nations. That community has grown just as communities of natural persons grow. Men cannot live in neighborhood with each other without having reciprocal rights and obligations towards each other arising from their being neighbors. The practical recognition of these rights and obligations creates the community. It is not a matter of contract. It is a matter of usage arising from the necessities of self-protection. It is not a voluntary matter. It is compelled by the situation. The neighbors generally must govern their conduct by the accepted standards or the community will break up. It is the same with nations. No nation whose citizens trade and travel; that is to say, no nation which lives in neighborhood with other nations need consider whether or not it will be a member of the community of nations. It cannot help itself. It may be a good member or a bad member, but it is a member by reason of the simple fact of neighborhood life and intercourse. The Bolshevik rulers of Russia are illustrating this. They have been trying to repudiate all the obligations resulting from their country's membership in the community of nations, and one result is that intercourse is impossible.

This great fact of the community of nations is not involved at all in any question about the "League of Nations" or any other association of nations founded upon contract. The "League of Nations" is merely a contract between the signers of the instrument by which they agree to super-add to the existing usages, customs, laws, rights, and obligations of the existing community of nations, certain other rights and obligations of the existing community of nations, certain other rights and obligations which shall bind the signers as matter of contract. Whether a country enters into that contract or not, its membership of the community of nations continues with all the rights and obligations incident to that membership.

A self-respecting democracy which undertakes to control the action of its government as a member of this community of nations, and wishes to respond fairly and fully, not only to the

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demands of its own interests, but to the moral obligations of a member of the community, is bound to try to understand this great and complicated subject so that it may act not upon prejudice and error but upon knowledge and understanding.

There is one specially important result which should follow from such a popular understanding of foreign affairs. That is, a sense of public responsibility in speech and writing, or perhaps it would be better stated as a public sense of private responsibility for words used in discussing international affairs. More fights between natural persons come from insult than from injury. Under our common law, libel was treated as a crime, not because of the injury which it did to the person libeled, but because it tended to provoke a breach of the peace. Nations are even more sensitive to insult than individuals. One of the most useful and imperative lessons learned by all civilized governments in the practice of international intercourse has been the necessity of politeness and restraint in expression. Without these, the peaceful settlement of controversy is impossible. This lesson should be learned by every free democracy which seeks to control foreign relations.

It cannot, however, be expected that every individual in a great democracy will naturally practice restraint. Political demagogues will seek popularity by public speeches full of insult to foreign countries, and yellow journals will seek to increase their circulation by appeals to prejudice against foreigners. Hitherto these have been passed over because the speakers and writers were regarded as irresponsible, but if the democracy of which the speakers and publishers are a part is to control international intercourse that irresponsibility ends, and it is the business of the democracy to see to it that practices by its members which lead directly towards war are discouraged and condemned. Offenses of this character are frequently committed in this country by political speakers and sensational newspapers and because we are a great nation the expressions used become known in the other countries concerned and cause resentment and bitter feeling. What especially concerns us is that these are very injurious offenses against our own country. Such public expressions by our own citizens bring discredit upon our country and injure its business and imperil its peace. They answer to the description of crime in the old indictments as an act "against the peace and dignity" of the State. They will practically cease whenever the

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American public really condemns and resents them so that neither public office nor newspaper advertising or circulation can be obtained by them. That will come when the American public more fully understands the business of international intercourse and feels a sense of the obligations which it incurs by asserting the right to control the conduct of foreign relations.

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THE POLICY OF FRANCE

By André Tardieu

IT HAS become a commonplace to say that the United States no longer understands French policy. But to say so is not enough; the misunderstanding must be cleared away. The responsibility may lie with those who do not understand, or with those who are not understood, or with both. It is the last hypothesis which usually is the true one. Let us, then, come to a genuine understanding.

FRANCE, PEACE-LOVING AND ISOLATED

During the last half-century France has given the most striking proofs of her love of peace. Invaded and dismembered in 1871, she did not seek revenge. Attacked again in 1914 by an insatiable rival, she defended herself, and in so doing gave time to the free peoples of the world to range themselves by her side in the battle against German militarism. After fifty-two months of a struggle which ravaged her soil, she and her allies and associates were victorious; she did not then demand a peace of violence, nor did she extend her sovereignty over a single human being who had not for years been whole-heartedly French. Seeking only her security and the repair of her ruins, she set herself again to the peaceful labors which Germany had twice in fifty years disturbed.

Here is our starting-point. What France was yesterday, such she is today. But in three years of peace she has been bitterly disillusioned.

France counted on the cooperation of her recent comrades in arms in carrying out the long-term clauses of the just peace which they had signed in common. She counted on it in vain.

In March, 1920, the United States refused to ratify the Treaty of Versailles and the Tripartite Military Guarantee. In 1921 it concluded with Germany a separate peace by which it definitely rejected the mutual engagements implied in the treaty of 1919. From that moment Germany knew that America would not insist on the execution of a peace treaty in which she had no further interest.

In the same way Great Britain has turned her back on her 1919 policy. It was Great Britain who had called for the most draconian clauses—for the punishment of war criminals, for

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example, and for the repayment of war pensions. Less than six months after the ratification of the treaty she repudiated these stipulations, which had been under-written by twenty-seven states.

In his successive conferences Mr. Lloyd George has followed a definite policy of mutilating the peace terms, thus time and again imposing sacrifices on France without granting her any corresponding compensation. So it happens that during the past few months my country has come to feel herself isolated, without feeling that she was responsible for this isolation.

Because she took seriously the signatures of June 28, 1919—signatures in which she has a vital interest—France finds herself in 1922 in the paradoxical position of being denounced everywhere as a trouble-maker. Because she asked what was her due, even though she did not obtain it, she has won the reputation of being nervous, insatiable and imperialistic. This accusation has hurt her to the quick, and out of it grows the dissatisfaction to which she sometimes gives vent. One may approve or disapprove of this dissatisfaction, but one must understand it in order to judge sanely the present tendencies in French policy.

FRANCE'S BURDENS

If France insists upon the execution of the treaty it is not solely because it is a contract; it is because its non-execution would very shortly place her in an impasse.

The war bled us terribly. Out of our population of less than 38,000,000 there were mobilized 8,500,000; 5,300,000 of them were killed or wounded (1,500,000 killed, 800,000 *mutilés*, 3,000,000 wounded), not counting 500,000 men who have come back to us from German prisons in very bad physical condition.

Almost 4,000,000 hectares of land were devastated, together with 4,000 towns and villages; 600,000 buildings were destroyed, among them 20,000 factories and work-shops, besides 5,000 kilometers of railroads and 53,000 kilometers of roads. About 1,400,000 head of cattle were carried off. Altogether, a quarter of our productive capital was annihilated.

The financial consequences of the annihilation of all these resources bear down on us heavily today. The war cost us 150 billions of francs. The damage to property and persons comes to 200 billions. Our ordinary budget has increased from 4½ billions to 25 billions; our debt from 36 billions to 330 billions.

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Since the armistice we have spent on reconstruction and on pensions a total of 90 billions, and we have received from Germany in one form or another less than two billions of gold marks (about six billions of francs), or about six per cent of what we have had to spend on restoring our provinces—a task as yet but half completed.

To measure what we have undergone, suppose that the war had taken place in America and that you had suffered proportionately. You would have had 4,000,000 of your men killed and 10,000,000 wounded. All your industries from Washington to Pittsburgh would have ceased to exist. All your coal mines would have been ruined. That is what the war would have meant to you. That is what it has meant to us.

If you will go back for a moment to the expense figures which I have just cited, you will find that in the last two years France has spent on reconstruction and pensions 7½ billions of dollars, or $5,700 a minute, while in the same period Germany has only spent 500 millions of dollars, or $381 a minute. In other words, we have accumulated a deficit of $5,319 every minute; and it is we who have paid it, in place of Germany who was responsible for creating the damage.

We think that this cannot go on. You would think the same in our place. The interest and amortization on the sums borrowed by us since the armistice to make up for Germany's default have cost us 4½ billions of francs a year. The interest on our debt absorbs 55 per cent of our taxes. We ask that all this be ended. Who can say it is not a legitimate demand?

ECONOMIC UNITY IS PREACHED TO FRANCE BUT ITS BENEFITS ARE DENIED HER

To these just claims our recent allies and associates have usually replied by recommending that we reduce our bill against Germany. They doubtless forget that what Germany does not pay France will have to pay—France, who did not provoke the ruin wrought by Germany on her soil, whose total working capital Germany has cut down by twenty-five per cent while her own means of production remain intact. We are unanimous in thinking such proposals unjust.

At this point the doctrine of economic unity, so persuasively preached by Mr. Keynes, is brought into play to convince us of our unreasonableness. We are the first to invoke this doctrine.

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But we find that at the very moment when we are so strongly urged to practice it we are denied any of its benefits; and we realize that, presented in this manner, the doctrine of economic inter-dependence becomes a profitable weapon in the hands of our vanquished aggressors.

When in 1919 France, together with Italy and Belgium, proposed studying the question of a joint liquidation of war expenses, and when at the same time she recommended maintaining a joint organization to ward off the exchange crisis from which the whole world now suffers, Great Britain and the United States categorically refused to have anything to do with such proposals.

A few months later, when American and British markets had begun to suffer from the effects of this crisis, the very people who in 1919 had preached free competition and "every man for himself" began clamoring for economic solidarity. But no one was prepared to apply to France the principles of economic solidarity in the name of which she has been asked month after month to sacrifice the rights written into the treaty. And while we were being counselled, in a tone that was often imperious, not to exact from Germany the integral payment of her debt, we were constantly being reminded of the debts which we ourselves had contracted during the war towards England and the United States.

Here again—I say it quite frankly—the French nation finds it most difficult to understand such inconsistent treatment. Disappointed already in not having been supported by her old comrades-in-arms when she demanded what was her due, she sorrowfully compares the indulgence shown towards defaulting Germany and the severity with which she is reminded of her own obligations. These are obligations which she does not dream of repudiating, but which she cannot meet until she receives what Germany in turn owes her.

Am I wrong in speaking so bluntly? I do not think so, for after all one can say anything to Americans provided one is really sincere. It does not seem to us that during the last two years our former allies and associates have treated us fairly. Hence the sometimes too biting tone of our press. Hence, too, our "jumpiness" for which we do not hold ourselves to blame and which we attribute to the detachment—partial or complete—with which the United States and Great Britain view the essential clauses of the peace treaty, to the complacence with which they regard

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Germany's policy of subterfuge and evasion. Here, again, let me be precise.

GERMAN BAD FAITH

France would never have refused to make Germany's payment easier if Germany, after having given proof of good faith, had found herself in real difficulties. But this is not the case. Forced by the treaty to pay in gold, Germany has done everything possible to bring about the depreciation of her paper money to a point where it has lost all exchange value. The fall of the mark is not the result of Germany's payments in gold, for in thirty months her payments have totaled less than a billion and a half gold marks. The depreciation of the mark is the direct result of Germany's financial policy, a policy which from the very first day has been one of deliberate evasion.

It is the result, first of all, of wild budgetary waste. The railroads, with a personnel increased by 305,000 since 1914, are responsible for a deficit of 14 billion marks; subsidies to the merchant marine amount to 12 billion marks; public works come to 7 billions, workmen's houses to 5 billions more, bread subsidies to 10 billions more. It is the consequence, also, of an irresponsible currency inflation and of Germany's export, since the armistice, of capital to the extent of 12 billion gold marks.

France, therefore, is within her rights in saying that the primary cause of Germany's default is by no means her incapacity to pay, but her determination not to pay. She is equally within her rights in regretting that her Allies have seemed so little interested in preventing Germany from reaching her present state of insolvency. Indeed, she is surprised that although always prepared to grant delays to Germany, the Allies never dream that France deserves help in facing the results of a German crisis which she has in no way provoked.

FRANCE HAS MADE GREATER REDUCTIONS IN HER MILITARY AND NAVAL EXPENDITURES THAN ANY OTHER COUNTRY

Until our Anglo-Saxon friends have grasped these essential truths our state of mind will remain a mystery to them, and failing to understand it they will continue attributing to us motives quite different from our real ones; and the misunderstanding will grow worse and worse. One of their unjustified grounds for criticism is the pretended militarism of France, so

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frequently denounced in a certain section of the American press. I wish to brand it as one of the most absurd legends which has ever laid hold of the public mind.

If, in speaking of French militarism, one wishes to insinuate that France dreams of adventures and conquests and even of a new war, one has only to re-read my estimate of the crushing burden left on our shoulders by our victorious war. We want only peace, and we want it more intensely than any other people in the world. We have almost died of war.

If on the other hand, as I have read only too often in English and American newspapers, it is claimed that France is militaristic because she is devoting to armaments more money than any other country, I say—and I shall prove—that such a statement is contrary to the truth. No country has since the armistice made such reductions in military expenditures as has France. In comparing our war budget of 1918 with that of 1922 we find in the latter a reduction of 31 billions of francs from 36 billions. If we compare the 1913 budget to the 1922 budget, we find in the latter an increase of 266 per cent, or less than the general increase in the cost of living, which is more than 300 per cent. This means that, taking into account the increased cost of living, France in 1922 is spending less on her soldiers than she did in 1913. I want to draw particular attention to the fact that the 1922 figures (4,900 millions of dollars for the army and navy) include exceptional and temporary expenditures directly resulting from the execution of the treaties of peace (in the Sarre, in Upper Silesia, etc.), as well as the expenditure for the Gendarmerie, which is a non-military police force.

Compare the military and naval expenditures of France with those of other nations, and you will find that while, as I have shown above, France's expenditures have increased 266 per cent since pre-war times, the increase for the same period in the United States has been 340 per cent; in Italy 372 per cent; in Denmark 359 per cent; in Japan 332 per cent; and in Great Britain 274 per cent. Thus, we not only have reduced our military expenses since the armistice by 86 per cent; but taking into account the increase in expenditures due to the rise in prices, France, instead of standing in the first place now stands only sixth. Yet the five countries which have passed her have never had to face the accusation of militarism which is now dinned into her ears.

When I add that in June, 1922, the Chamber of Deputies

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reduced the length of military service from three years to eighteen months, I think I may conclude that nothing remains of the myth of an aggressive France, bowed down by the weight of unwarrantable armaments.

THE GERMAN DANGER AND FRENCH GUARANTEES

Does this mean that France is prepared to disarm completely? No, and she has reasons for not doing so. We do not, for the moment, fear a German attack, but an unprepared and defenceless France would be a real temptation to those Germans who still firmly believe in war. We are convinced of this because the Kaiser's generals are not alone in preaching revenge, because the professors preach it in the universities and the teachers in the schools. We are convinced because every day brings us new proof of the camouflage behind which Germany eludes the rules for her disarmament, hiding arms everywhere, maintaining reserve officers and recruiting bureaus and forming military police corps with machine guns, cannon and aeroplanes. And what becomes of Germany's disarmament after the Treaty of Rapallo, which permits her to manufacture in Russia everything which she is forbidden to produce at home?

All the guarantees and contracts upon which France had the right to rely at the end of 1919 have failed her. The United States refused to ratify the defensive pact embodied in Article 10 of the League of Nations. It also refused to ratify the military guarantee of June 28, 1919, and consequently the Anglo-French agreement went by the board. France today is more alone than she was in 1914, when at least she could count on the Russian alliance.

All that we can now count on are material guarantees, and of these there are but two. One is a military force sufficient to withstand in all circumstances the attack of a people sixty million strong who are disarmed in appearance only. The other consists in the occupation of the left bank of the Rhine, an occupation which the treaty allows us to prolong 15 years because Germany has not fully met her engagements and because we have no other sure guarantee against possible aggression. Twice in fifty years we have been used as a battlefield, and we know what that costs. We know this creditor who repudiates his signature, this aggressor who disavows his responsibilities. At no price will we consent to being exposed to the risk of beginning the struggle over again.

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This, then, is the stuff that French militarism is made of! Our precautions are legitimate. Any one who investigates them on the spot will be convinced.

FRANCE AND NAVAL DISARMAMENT

I know quite well that to give strength to the fragile thesis of French militarism our attitude at the Washington Conference is continually brought up and criticised. I was one of the first to proclaim the absurdity of that attitude. But it is unfair to hold France responsible for the blunders of a minister who has been out of power for almost a year.

We did, through the agency of M. Briand, make one blunder after another at the Washington Conference. We appeared to be apologizing for having increased our armaments when in reality we had reduced them more quickly than any other country. Nor were we able to make it plain that France, with her colonies, is a country of a hundred million inhabitants, almost as populous as the United States and having corresponding needs. Finally, and above all, we did not know enough to offer concrete proposals, even that proposal which has many supporters in France—namely, to take as the basis for naval disarmament the complete suppression of capital ships and submarines.

Having failed in all these respects, we committed ourselves to solutions which are open to grave criticism. The United States and Great Britain respectively guaranteed to each other the naval hegemony of the two seas which particularly interested them. France, on the contrary, found herself reduced in the Mediterranean, the cross-roads of her colonial empire, to a situation quite incompatible with her past history or present interests. Instead of leading to an equal disarmament for everyone, the Washington Conference ended by consolidating the supremacy of certain participating states. This has led to a comparison of the advantages secured by each.

France does not dream of an empire of the seas, but she sees no reason, so long as certain powers are allowed to maintain their cruisers and submarines, why she should fall back into the rank of a *protègé*. It would have been better for our leaders to have stated this from the very beginning and to have presented a definite program of general disarmament. Instead of taking the initiative, they allowed themselves to be held off for five weeks during the negotiations between the United States, Great Britain

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and Japan, and then merely ratified the results. A certain amount of friction has resulted from all this. But it will not survive a frank explanation.

NATIONAL RESPONSIBILITY IN WORLD CONFUSION

In spite of this there are a great many people in America who say: "If the world is slow to recover, it is the fault of France, who is always complaining about something and who opposes every solution." I have already answered this charge in part, but there is something more to be said.

The state of the world is the result of the war. But if, during the last two years, the non-execution of the peace terms has created a general feeling of instability, whose is the fault? Over two years ago a German journalist, Mr. Redlich, editor of the *Gazette de Voss*, said to me: "It is true that we are not carrying out the peace treaty. But lay the blame on your Allies, who show plainly that they are not in the least interested in its execution."

Think just for a moment about this remark, which is in some ways quite fair. Everything that was decided in 1919 has since then been placed in doubt. The close solidarity which made victory possible disappeared in peace. A series of improvisations has taken its place. Can European order be re-established in this haphazard manner? I doubt it, and events are confirming my doubts.

With just what can France be reproached? With intransigeance? Surely not, for during the past thirty months she has patiently accepted all the successive compromises, each more onerous than the last, which her Allies have recommended. Recall the international conferences of 1920, 1921 and 1922. Which of them was broken off by France? And in which one did France not lose either an arm or a leg?

In February, 1920, we gave up our demand for the German war criminals. In April, 1920, we abandoned our mandate over Cilicia and the military command of Constantinople. In July, 1920, we loaned to Germany several hundred million francs in order to get, in greatly reduced amounts, the coal which she owed us. In January, 1921, we renounced our claim for the integral reparation for damages done us. In May, 1921, we gave up the 12 billion gold marks due us on that date. In December, 1921, and in March, 1922, we acted similarly about the already reduced

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payments which had been fixed by the London Agreement of the preceding May.

Where is there in all this any sign of our famous intransigeance? What solution did we refuse to accept? Everywhere and at all times France has given proof of absolute good will and a fine spirit of conciliation. She has shown reserve, it is true, towards the Russian policy of Mr. Lloyd George. But is it for America, who was absent from Genoa and the Hague where we were present, to reproach us on that score? And who is not aware that Mr. Lloyd George himself admitted in the House of Commons in the middle of July that the Soviets were responsible for the check given the agreements which he was planning to make with them?

Where then, I repeat, are the faults of France in all this? How can the long-continued uneasiness which since the war has gripped the world be charged against her? What disorders has she provoked? When has she refused to cooperate? Never. And when has her cooperation brought a word of thanks?

FRANCE AND THE INTERNATIONAL LOAN

I now come to a last grievance, for I wish to leave nothing untouched. France, it seems, is responsible for the recent failure of the international loan, which was the sole panacea for solving simultaneously the reparations problem and the general economic crisis.

A loan was and still is the practical solution for which we must work if we are to transform the political debt of Germany into a commercial one. On this point France is in complete accord with financial opinion all over the world. But a loan of whatever amount is not possible unless the public has confidence, and the public will only feel confident when it is convinced that sums sufficient to pay the annual interest and amortization charges will be forthcoming. Has this prerequisite been met? Here lies the real question, and French policy does not enter into it at all.

To set such a question is to reply to it. Germany has just declared herself unable to pay 50,000,000 gold marks a month, or 600,000,000 gold marks a year. She definitely states that this inability to pay will extend over the years 1922, 1923 and 1924. Simultaneously, she demands that her deliveries of coal be reduced by over a third. Under these conditions what becomes of the requisite guarantee that the annual interest will be paid

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regularly, without which no loan is feasible? And why suppose that the public would absorb the bonds of this loan, knowing as they do from the official declaration of Germany herself that for three years at least she will have nothing with which to pay the interest and nothing for the amortization?

An international loan is highly desirable, and for France most of all, because her expenditures for reconstruction (90 billion francs up to July 1, 1922) are far from being at an end. But a loan will become possible only when Germany appears capable of meeting its annual interest. It would have been possible in 1920; it may perhaps again be possible in 1924; it is not possible today, and the most accomplished bankers in the world cannot make it so. At most they can point out that the difficulties in the way of a loan, as things now stand, are in direct proportion to its size. This is exactly what the eminent financiers who met in Paris last June did point out.

It is not France, then, but the force of circumstances which is opposed at the present time to a great international loan. Even if the German debt, fixed at 132 billion gold marks, were reduced by a half or three-quarters such a loan would be a fiasco. That is why France did wisely in refusing to consider a fresh reduction in the German debt in exchange for the alluring prospect of a credit transaction doomed in advance to certain failure. No one can conscientiously reproach her on this score.

FRANCE WANTS TO LIVE

Having said all of this I feel in a better position to reply to the question that has been put to me: "What does France want? What is her policy?" My reply lies in a single phrase: "France wants to live."

France wants to live. By that I mean she wants not to succumb beneath the burden of her victory—that she wants to rebuild her ruins instead of being crushed beneath them—that she asks for justice and justice only. If she is denied this, then to the economic crisis which now staggers the world will be added the incalculable blow of French bankruptcy, an event which the preachers of economic solidarity should wish to prevent as much as they wish to prevent a German bankruptcy.

France wants to live, and her acts have proved it. The work of reconstruction accomplished since the armistice is the admiration of all who have come to study it. Without any outside

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assistance we have restored all our railroads and highways, have put back into condition 80 per cent of our devastated fields, have brought home 90 per cent of the people driven away by the war, have rebuilt half of our factories and have put up temporary houses which, whether bad or good, at least will serve until permanent structures can be erected. No one in the wake of such a catastrophy and with the means at our disposal could have done better than France.

We showed no less energy in reorganizing our finances. No parliament ever voted so many new taxes as did the French Chamber in 1920. With the exception of the Englishman, the inhabitant of no other country is so heavily taxed as the Frenchman. This year we have paid 21 billion francs in taxes; we will pay 25 billion next year. Before the war we paid less than five billion. The Germans pay $13.00 per head in taxes, the French pay $45.00. A thorough study of this particular question enables me to state that the inhabitants of France pay on the average 15 per cent more in taxes than do the citizens of the United States.

Nothing, therefore, is more unjust than to represent France as a nervous, demoralized country, always complaining but never acting. France is in full action, but she wants to have fulfilled the two conditions which will permit her efforts to bear fruit: one, lasting security; two, effective reparations. The pursuit of these two conditions determines her policy.

FRANCE WANTS SECURITY

I showed a moment ago that France in 1919 counted very largely on the treaties guaranteeing the protection of her frontiers. That the guarantees did not materialize is hardly her fault.

France unhesitatingly ratified the defensive engagements laid down in Article 10 of the League of Nations covenant. France ratified, by a unanimous vote of both Houses of Parliament, the military agreement with the United States and Great Britain. Further, France proposed—without being followed by her Allies—to put at the disposal of the League of Nations an international military force capable of keeping the peace. After this, no one has the right to call us "sword rattlers," anxious above all things to remain the first military power in Europe. It is not France who has cast aside political means of maintaining peace. She accepted them all; it is others who have thrown them away.

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France cannot allow her care for present and future security to be branded as egoism, nor can she accept as a sort of conditional dole offers of protection such as the pact proposed by Mr. Lloyd George to M. Briand at the Cannes Conference last January. France on the one hand considers that the European situation justifies her in retaining a strong army at least as much as the naval situation justified the United States and Great Britain in claiming at Washington their 500,000 tons each of capital ships. On the other hand she thinks that the problem of her security is a problem of general concern.

When Great Britain declared war on Germany in 1914 and when the United States in 1917 declared war, it was because they realized—in the case of the United States the realization came only after three years—that France's danger was their danger also. These two great nations brought inestimable aid to France, but both of them were led to a final decision by national reasons, Great Britain by British reasons, the United States by American reasons. It would be a mistake to think that the factors in the problem have changed. At most, one can say that the Rapallo Treaty has made them more real. It is such a self-evident truth that I will not insist upon it.

And so France asks that when one talks of her security one shall not have the appearance of condescending to quiet chimerical fears; she asks that she, with her army on the Rhine, be considered, today as yesterday, the Sentinel of Liberty. The question looked at from this angle, the angle of historic and political reality, becomes easy to settle.

FRANCE WANTS TO BE PAID

Will France ever be reimbursed by Germany, in conformity with the Treaty of Versailles, for the total cost of reconstruction and war pensions? Since the London agreement of May, 1921, no Frenchman entertains such a hope. But France intends to be paid what was promised her at that time, and if ever she should accept any reduction on the amount it would be only with the absolute certainty of a rapid payment of the reduced sum. I have said, and I repeat, that this condition has never so far been met.

The policy upheld by the 250 Deputies who agree with me is neither absolute nor merely negative. On the contrary we stand resolutely for the doctrine of economic solidarity recommended

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by Mr. Lloyd George, but we do not want France to be the only country excluded from its benefits. A few examples will make our position more clear.

We are asked to grant Germany a prolonged moratorium. Very well. But what will be done to help us through this period when Germany is paying us nothing? We are asked to consider another reduction in the German debt. Once again, very well. But what is offered us in exchange in the way of a reduction of the French debt? We are asked not to use against our defaulting creditor the military sanctions authorized by the treaty. Once again, very well. But what common means of political and economic pressure is offered us to force Germany to act? We are asked to help float an international loan, which nobody wants more than we ourselves. Agreed. But what will the other powers do to force Germany to produce the yearly interest without which no loan is possible?

You will notice that in asking these questions we also indicate the reply. At Genoa Great Britain was ready to help Russia financially for the general good; what prevents her from helping France for the same reason? The reduction of the entire Allied debts, not as a present from ally to ally but as a way of bringing about the reduction of the German debt, has been studied everywhere and might perhaps be studied anew. Political and economic sanctions against a Germany piling up interest and bank balances the world over would be very much more efficacious than military sanctions. After all, the means of compelling Germany to gather funds in sufficient quantities to meet the service charges on a loan (budgetary reform, the reassembling of capital credits held abroad, laws against the evasion of taxes and the export of gold), are not mysterious; they are all indicated in the Treaty of Versailles and have only to be employed.

On all these points France offers her Allies their choice.

They can agree to follow the course I have outlined or they can refuse. If they agree, success will come surely and rapidly; if they refuse, responsibility for the failure will be on their own heads. In the reparations problem France must have a constructive policy of cooperation. She can have it. It is important that she submit it as a whole and in detail to the judgment of the whole world. Time presses and we must speak to the point.

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FRANCE AND THE CONTINENT

But France must not stop with a mere definition of her policy. It is for her to explain and interpret to the Anglo-Saxon world the special conditions of continental Europe.

During the last few months our American and English friends have plied us with suggestions and advice. They have offered us innumerable plans of reconstruction, reasoning as though our old continent presented a clean slate and discussing freely those nationalistic aspirations which found their outlet in the treaties of 1919. May I not be allowed to say that these are questions which can hardly be discussed and decided from a distance?

It is hard for Americans and Englishmen to understand fully the life Europe has led for many centuries and the scars left by that passionate life on the minds and hearts of its inhabitants. They constantly advise us to go back and reconsider certain clauses of a peace treaty which was, whether one likes it or not, the consummation of a war of nationalities. I am convinced that, far from curing the unstability of which they complain, this would be the surest way of making it worse. I am no less convinced that by constituting herself the interpreter of the continental spirit to the Anglo-Saxon world, France would be accomplishing a task useful to others as well as to herself.

Look how Central Europe, profoundly altered by the treaties which you so distrust, has adapted itself to new conditions and is beginning, on the basis of liberated nationalities, to adjust its economic relations. You have here an example upon which one cannot meditate too deeply or too often. The conclusion is that when once political stability resulting from satisfaction of national needs is assured, economic reorganization follows.

At the beginning of the last century, when the young South American republics were born and multiplied, the United States, to protect these young countries against unwise and perhaps overbearing European intervention, made a proclamation which is known as the Monroe Doctrine. I am not suggesting a Monroe Doctrine for Europe, but I must remind our transatlantic friends that convalescent Europe has a right to take the same precautions that America took in 1825, and I ask that France be permitted to explain clearly and amicably to the United States, delegate of two continents, and to Great Britain, representative of an immense empire, the right of the continental union to choose its own

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methods of reconstruction rather than a hard and fast ready-made formula forced upon it from outside.

THE DANGER OF FINANCIAL TYRANNY

France must frankly play the part which history and geography alike have set her, and which make of her, in this isthmus where nature has placed her, the connecting link between two worlds and two civilizations. In this same frank and fair spirit she must put the Anglo-Saxon nations on their guard against the temptations with which the pride of their riches might inspire them.

In old and impoverished Europe we at times get the impression that the dollar and the pound sterling would like to rule the world. In London as in New York people flatter themselves that they renounce all imperialistic designs. But there is an imperialism of gold, a hegemony of banks, which is quite as perilous as military or political imperialism. Do not let continental Europe ever get to think that you believe you can control her by money; she would revolt against this yoke.

Do not forget, either, that between the Mediterranean and the North Sea there are millions of men who willingly underwent the horrors of war in order that an idea might triumph. They will never permit that so many of theirs shall have died and that they themselves should have suffered so grievously in order that at the end the new tyranny of a financial syndicate should install itself over the peoples whose liberty they have saved. It would be dangerous to say to these old soldiers "Woe to the Poor."

Anglo-Saxon business men made a mistake when, after the armistice, they insisted upon an immediate return to free competition, with the inevitable destruction of close solidarity, because quite erroneously they believed the European consumer would be capable of absorbing their over-production. They may again find themselves wrong if they think that they can rule the whole world because of their gold reserve and their favorable exchange. Their first mistake resulted in a plethora of stocks and in an unemployment crisis which still continues. Their second error might well cause between its victims, whoever they might be, unforeseen alliances from which no one would really benefit.

It is mistaken to believe that a purely economic policy is necessarily a guarantee of peace. Commerce has been responsible for

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as many wars as nationalism. Certain Englishmen admit this, as may be seen from the reply a member of the British Cabinet made recently to a Frenchman who was pointing out the danger England runs in abetting the recuperation of her two chief rivals of yesterday, Germany and Russia.

"You are probably right," he said, "but what can we do? Just at present we have only one aim, to which we sacrifice everything: to get business and make money. If in fifteen years we find that we have made Germany a more dangerous rival even than she used to be—well, we shall declare war on her."

France, who clings to peace and who wants it to be durable, will never lend herself to such a venturesome policy. She remains faithful to the idealism which was the moving spirit of the nations during the war. She believes in those imponderable forces whose existence Bismarck himself admitted. She does not believe that rates of exchange and commercial balances are the sole forces which rule the universe. She considers that the present economic crisis was preceded by, and is now dominated by, a moral crisis—a crisis in the conception of international obligations. And when she invokes the text and the spirit of the treaty, when she speaks of right and justice, she believes she is working not only for herself but for all the human race.

FRANCE MUST FOLLOW A CONSTRUCTIVE POLICY

Just a few words more to define the spirit in which I have written this article, addressing myself to friends to whom in the darkest hours of the war I never failed to speak the truth. France has never clearly enunciated the ideas which I am here defending, and our successive governments have incurred a grave responsibility in not having dared to proclaim them. In consequence, we have been living in the dark, and if you have often misunderstood us you have the right to say that we have always given you poor explanations. M. Millerand came to grief by entering into dangerous bargaining with Mr. Lloyd George without having first laid down certain unalterable principles; M. Briand indulged in nonchalant improvisations, all the more serious because of the irresponsible character of his chief assistant, M. Loucheur; M. Poincaré intrenches himself behind negations and innumerable judicial reservations. A great many of us think that this cannot go on and that France will find her policy successful only when it becomes positive and constructive, and

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when it is presented clearly to those who are to cooperate in carrying it forward.

In order that the world may regain its equilibrium France must have the cooperation of those who fought by her side. But Great Britain and the United States will make no lasting progress in Europe without the cooperation of France. A minute explanation in the interest of a thorough agreement becomes, then, the duty of us all. To fulfill this duty one must escape from the habit of thinking that one's own difficulties are worse than those of one's neighbors. An English minister said to me one day: "You are in luck to have your devastated regions; they are a real guarantee against unemployment." There are things which it is well not to say—or, still better, not to think.

In conclusion, may I recall to American readers that no one has known at closer quarters than myself the full power of complete cooperation between our two countries. I have not forgotten how the unheard of effort of America in 1917 and 1918 contributed toward the common victory, nor what France, in spite of the heavy burdens of our years of war, did to enable the American army to come in good time into the final battle. The memory of these magnificent achievements inspires me with complete faith in the fruitfulness of our association. If during the last two years this association has not been functioning, I can but point out that France is not responsible. I am convinced that, sooner or later, it will be reborn. In what form? I know not. But I believe it will be reborn.

For the moment there is but one thing to do—to come together to talk things over and to say what we have to say without reserve. I have tried to do this. Have I succeeded?

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THE TACNA-ARICA CONTROVERSY

By Edwin M. Borchard

ON JULY 20, 1922, a protocol of arbitration and a supplementary act were signed in Washington by the plenipotentiaries of Chile and Peru, providing for submission to arbitration by the President of the United States of the major issue in the long-standing controversy between Chile and Peru arising out of the non-execution of Article 3 of the Treaty of Ancon, which brought to a close the war of the Pacific.

Article 3 of that treaty reads as follows:

> "The territory of the provinces of Tacna and Arica . . . shall continue in the possession (*continuará poseido*) of Chile, subject to Chilean legislation and authority for a period of ten years from the date of the ratification of the present treaty of peace. At the expiration of that term, a plebiscite will decide, by popular vote, whether the territory of the provinces above-mentioned is to remain (*queda*) definitely under the dominion and sovereignty of Chile or is to continue to constitute a part (*continua siendo parte*) of Peru. That country of the two to which the provinces of Tacna and Arica thus remain annexed (*queden anexadas*) shall pay to the other ten millions of pesos of Chilean silver or of Peruvian soles of equal weight and fineness.
>
> "A special protocol, which shall be considered an integral part of the present treaty, will determine the form in which the plebiscite is to be carried out and the terms and time for the payment of the ten millions by the nation which remains the owner (*dueño*) of the provinces of Tacna and Arica."

The treaty was ratified on March 28, 1884, so that under the terms of the article just quoted the plebiscite should have been held on March 28, 1894. No protocol for the execution of the plebiscite has ever been concluded, so that the plebiscite was not held on March 28, 1894, or since then, and Chile still remains in possession of Tacna and Arica. Both parties have laid claim to sovereignty over the territory in dispute, each accusing the other of the non-fulfilment of the treaty stipulation.

Practically the only question submitted to arbitration is this: "Whether, in the present circumstances, a plebiscite shall or shall not be held." If the arbitrator determines that a plebiscite shall be held, he "shall have full power to determine the conditions" under which it shall be conducted. If he decides "that a plebiscite shall not be held, both parties agree, upon the request of either of them, to enter into a discussion of the situation," and, "in the event that no agreement is reached . . . the two govern-

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ments will request the good offices of the Government of the United States, in order that an agreement may be reached." Whether or not the districts of Tarata and Chilcaya, occupied by Chile, are in fact included in the province of Tacna, is an incidental question for the arbitrator to determine.

The hope of students of Latin-American affairs that the present protocol marks the termination of this bitter controversy may be somewhat tempered by the realization that this is not the first time that a protocol of adjustment has been signed by plenipotentiaries. The exigencies of domestic politics in the two countries, where the question has reached major proportions, have on more than one occasion frustrated the efforts of negotiators to bring the matter to a satisfactory settlement. The present protocol provides for ratification by the two home governments, *i.e.*, the respective national legislatures, within a period of three months, or by October 20, 1922. It is to be hoped that the realization that public opinion throughout the American continent expects an early solution of this acrimonious dispute, which has disturbed international relations and often interfered with Latin-American cooperation, will persuade the home governments to subordinate considerations of domestic politics to the necessities of international accord. Besides, it is not believed that either country has much to gain by refusing ratification.

Properly to understand the origin and present status of the dispute now to be submitted to arbitration, it will be necessary to review briefly the history of the relations between Peru and Chile down to 1879; the course of events and negotiations leading up to the formulation of Article 3 of the Treaty of Ancon; and the diplomatic negotiations since the conclusion of the treaty designed to bring about the holding of the plebiscite. From the beginning of the dispute—and indeed before it arose—the United States took an active interest in the reestablishment of normal relations between the two contending countries. It is therefore fitting that the United States should assume a decisive share in the solution of the controversy.

THE PERIOD TO 1879

To appreciate the nature of the controversy, it is desirable to mention the geography of the territory in question and to set forth the chronology of events leading up to the war of the Pacific. Chile is a long, narrow country lying along the south-

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western edge of South America. In length, about 2,000 miles, it would cover approximately a coastal strip from Maine to North Carolina; in width, it extends from 100 to 200 miles inland, from the Pacific Ocean to the Cordilleras of the Andes.

Down to 1842, there appears to have been no doubt as to the northern boundary of Chile. Chile's constitutions of 1822, 1823, 1828, 1832, and 1833, all appear expressly to recognize the northern boundary of Chile as the desert of Atacama, about 27° south latitude. The desert of Atacama, extending from about 27° to 23° south latitude, was up to 1842 under the undisputed dominion and sovereignty of Bolivia. North of 23° was Bolivian territory, including Antofagasta, extending to 21°; north of that, the Peruvian province of Tarapacá, extending from about 21° to 19°; and immediately to the north of this line are the provinces of Tacna and Arica, extending from about 19° to 17° 30′. From 17° 30′ to 17°, adjoining Tacna, lies the province of Tarata, which represents since 1883 the northern limit of Chilean occupation.

The immediate reason for the first step in this northward expansion appears to have been the discovery of guano in the desert of Atacama. President Montt, of Chile, in a message to the Chilean Congress, on July 31, 1842, informed the Congress that he had sent a commission of exploration "for the purpose of discovering if any guano deposits existed *in the territory of the Republic* which . . . might furnish a new source of revenue to the treasury. . . . Guano has been discovered from 29° 35′ to 23° 6′ south latitude." Chile's northern boundary was then 27°, so that evidently much of the territory exploited was in the desert of Atacama, then Bolivian. The Chilean Congress, in pursuance of the Presidential Message, enacted on October 31, 1842, a law providing that "all the guano deposits which existed in the Province of Coquimbo, *in the littoral of Atacama*, and in the adjacent islands, are hereby declared national property." Bolivia formally protested against this assumption of Chilean sovereignty over Bolivian territory, and thus began the controversy which culminated in the War of the Pacific of 1879, brought Peru into the conflict and created "the question of the Pacific."

Bolivia's protests went unheeded. Continuous incursions by Chilean guano hunters were followed in 1857 by the landing of a Chilean military expedition at Mejillones, one of the principal ports of the Atacama desert, and the ousting of the Bolivian

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authorities. To Bolivia's demands for evacuation of the territory thus occupied, Chile set up a claim of territorial right and expressed a willingness to draw up a boundary treaty, dividing the Atacama desert between them. Bolivia, weak and misgoverned by a succession of military dictators, was constrained to yield. Protracted negotiations, interrupted by the war against Spain, finally resulted in the Treaty of 1866, by which the new boundary line was fixed at 24°, Bolivia thus surrendering the territory from 27° to 24°. Chile had claimed all the territory up to 23°. In the region between 23° and 25° a sort of condominium was set up, by which each country was to receive half the proceeds of the guano and mineral deposits and half the export duties. The condominium proving unsatisfactory in administration, a new treaty was concluded in 1874 which fixed 24° as the boundary between Chile and Bolivia. It also provided that guano deposits in the zone between 23° and 24° were to be equally divided between Bolivia and Chile. Article 4 of the treaty, which ultimately gave rise to the dispute which led to the war of 1879, reads:

> "The export duties to be levied on the minerals mined within the zone mentioned in the preceding articles shall not exceed those which are in force at the present time; and Chilean capital, Chilean persons and their industries, shall not be subject to any other taxes of whatsoever kind than at present exist."

A supplemental agreement of 1875 provided that all disputes arising out of the interpretation of this treaty were to be submitted to arbitration.

The progressive Chilean encroachment on Bolivian territory was disquieting, not only to Bolivia, but also to Peru, her northern and western neighbor. Down to this time the relations between Chile and Peru and between Bolivia and Peru had, on the whole and with minor interruptions, been friendly. In fact, Bolivia and Peru had joined in a Confederation in 1836—which Chile, indeed, aided to dissolve—and had given other evidences of solidarity. When, then, in 1872, the Bolivian Congress enacted a law instructing the Executive to "enter into a treaty of defensive alliance with the Government of Peru against all foreign aggression," Peru was found not unwilling. The treaty, as its wording plainly indicates, was designed to preserve the *status quo*, and has its counterpart in Article X of the Covenant of the League of Nations.

The Treaty of 1873 provided for reciprocal guaranties of inde-

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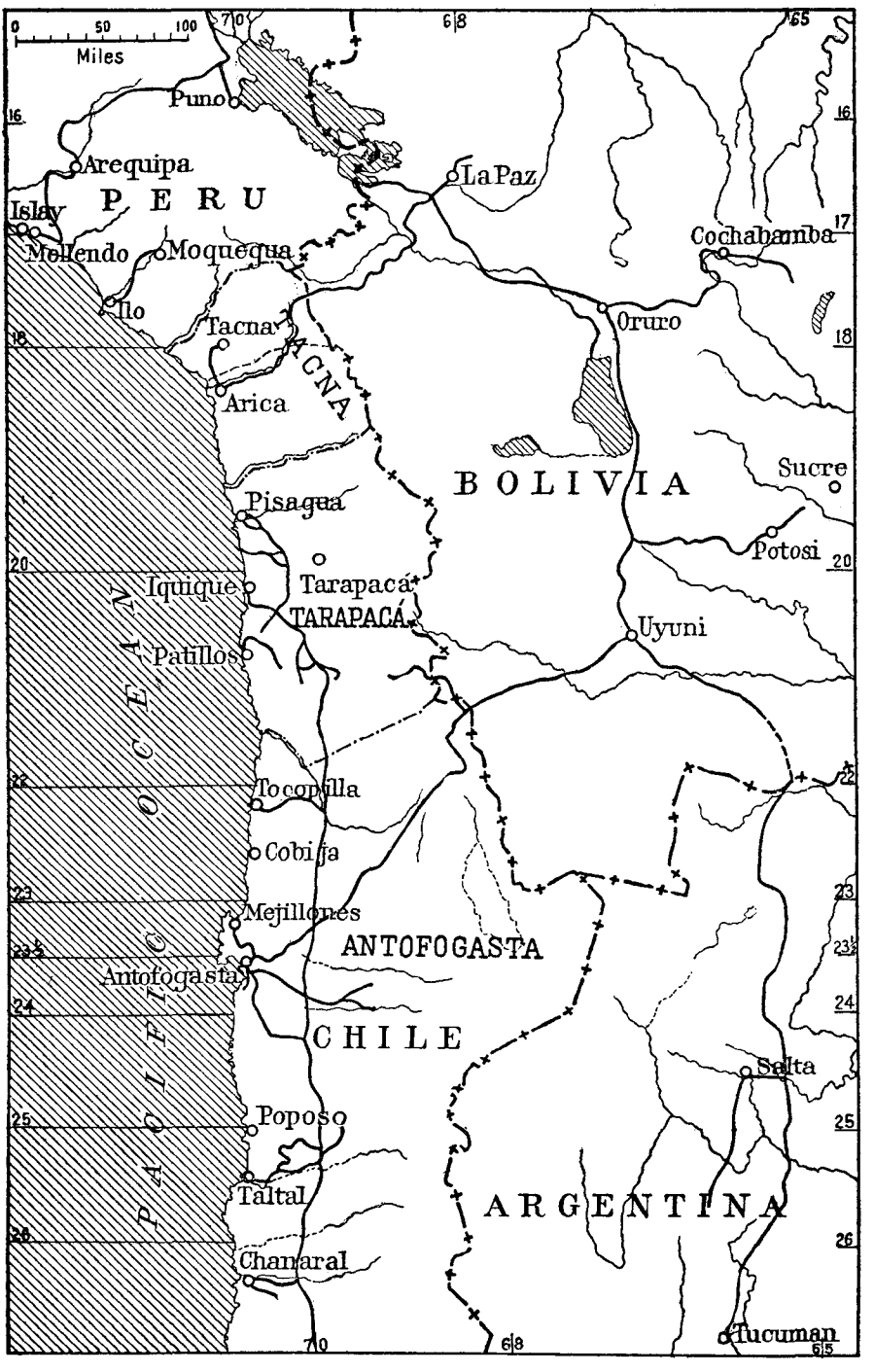

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pendence, sovereignty and integrity of territory against aggressions of third states upon either party (Art. 1), each remaining the judge of what was aggression (Art. 3); each was to employ conciliatory measures to avoid a rupture or end a war between its ally and a third power, arbitration to be preferred (Art. 8), and the adhesion of one or more "other American states" could be invited by either party "to the present defensive treaty of alliance" (Art. 10).

For some unaccountable reason this treaty was kept secret. It was concluded at a time when Bolivia was being subjected to great pressure and threats from Chile, arising out of the alleged violation of the Treaty of 1866, a violation denied, however, by the Chilean diplomat, Marcial Martinez. In the Chilean-Bolivian controversies, Peru's sympathies had been with Bolivia, and Peru had in fact on November 19, 1872, some months prior to the treaty of alliance, declared that it would lend its aid "to reject any demands which it should consider as unjust or menacing to Bolivian independence." It should be observed, moreover, that in 1871 the Chilean Congress had passed an Act authorizing the building of new war vessels. This fact, combined with Chile's aggressive policy in pushing northward along the coast, probably accounts for the treaty alliance. While it is true that the line between a defensive and an offensive alliance is often vague, there is much evidence to show that in the minds of the contracting parties its purpose was solely that of preserving intact their respective territories.

Chile at this time was engaged in a boundary dispute with Argentina, respecting Patagonia, a fact which had some influence on Bolivian policy, to be noted presently. The Argentine Chamber of Deputies voted adhesion to the treaty of alliance, but the Senate declined. The existence and secrecy of this treaty were among the grounds advanced by Chile in 1879 as a justification for her declaration of war against Peru; but however much the secrecy of the treaty may be deprecated or condemned, the evidence seems to indicate that the treaty was fully known in Santiago; and the Chilean Minister of Foreign Affairs in his Circular note of December, 1918, to Chilean diplomatic representatives in foreign capitals confines himself to denying Chile's "*exact*" knowledge of the treaty. Moreover, the evidence adduced by the Chilean publicist Anselmo Blanlot Holley and by the Bolivian historian Alberto Gutierrez in his work *La Guerra*

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de 1879 leaves it beyond question that from November 1, 1873, the treaty was fully known in Santiago.

Nitrate had in the sixties been discovered in considerable quantities in Bolivian and Peruvian territory, particularly around Antofagasta, Bolivia, and in the Peruvian province of Tarapacá. Among other foreign concessionaires, Chilean citizens owned several *oficinas* and numerous Chileans were employed in the works. The Peruvian Government at that time conceived the idea of nationalizing the nitrate industry in Peruvian territory, partly by exercising the power of eminent domain and partly by high taxation. Chile professed to regard the policy as directed solely to the injury of Chileans, although Chilean interests were very considerably less in Tarapacá than those of Peruvian and other nationalities. At all events, no diplomatic claims or protests appear to have been entered against Peru, an eventuality almost certain had the Peruvian measures been regarded as illegal.

To return to the Chilean-Bolivian situation: Two Chilean citizens had obtained from Melgarejo, Bolivian president and ephemeral dictator, a nitrate and railroad concession in the Bolivian zone between 23° and 24°. Later the Bolivian Government sought to annul all the concessions granted by Melgarejo, but this particular concession, which had been assigned to an important nitrate company, was confirmed by executive agreement in 1873. The Treaty of 1874 with Chile, it will be recalled, had provided against any future taxes on Chileans higher than those then in force. It was not until 1878 that the Bolivian Congress ratified the agreement of 1873 and they did so on condition that the company should pay ten cents (*centavos*) per quintal of nitrate exported, instead of 10 per cent of the profits of the business, which under the old contract the government was to receive. Against this tax Chile, with some justice, it would seem, protested, as in violation of the Treaty of 1874. Bolivia answered that this was not a general tax, but that the matter concerned merely a private contract between the company and the Bolivian Government. Possibly Bolivia was encouraged in her stand by the belief that impending difficulties between Chile and Argentina, shortly thereafter settled by agreement to arbitrate, would deflect Chile's attention and firmness. In this she was in error. Her legal position also seems untenable. Chile assumed a very firm policy, threatening to break relations unless the tax

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law was repealed and to reassert her old claims to a northern boundary at 23° which she had asserted prior to the Treaty of 1866. The company having refused to pay the tax, Bolivia first attached the property; but owing to difficulties of administration Bolivia decided by decree to cancel the concession-contract. Chile asked for the suspension of all these measures until arbitration could settle the matter under the agreement of 1875, and gave an ultimatum of 48 hours for the Bolivian answer. Bolivia delayed her answer until the expiration of the period allowed, when the Chilean Chargé d'Affaires requested his passports.

Before the decree cancelling the concession-contract there appeared in the harbor of Antofagasta the Chilean cruiser *Blanco Encalada*. This unexpected step appeared to confuse the Bolivian Foreign Office and her diplomacy. As soon as the decree of rescission was announced in Chile and before the delivery of the ultimatum by the Chilean Chargé, the occupation of the Bolivian littoral was ordered and immediately accomplished without firing a shot. To give the seizure a legal basis it was rested on the civil law right of "revindication," a reclaiming of that which one had once owned or possessed. The reason thus asserted has not commanded general favor, even in Chile, where the action itself was approved. The Chilean legal claim to this territory, *i.e.*, up to 23°, has been placed by some of the most extreme among the advocates of Chile on two grounds: (1) that it was Chilean under the principle of *uti possidetis*, applied by the independent states of South America on their separation from Spain; and (2) that it was "Chilean soil because of its conquest for civilization, thanks to the enterprise, capital and labor of Chilean nationals." The first of these grounds is apparently not supported by the Chilean constitutions which, as has been observed, fixed the northern boundary at the desert of Atacama, about 27°, a boundary not questioned by Chile until 1842, when guano was discovered in the desert. The second, used frequently to sustain the Chilean territorial claims, has no legal basis. Even if it were true that the development of the territory of the Bolivian littoral was due entirely to Chilean capital and labor—an allegation which is unsupported by evidence—such contribution is not recognized as a title to territorial sovereignty. Whatever the weakness of the Bolivian position, it hardly seems to have justified the aggressive belligerent action of Chile before the breach of diplomatic relations, while the

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question was still pending, and without a declaration of war. Bolivia never regained the territory from which she was ejected.

Until Chile thus forced the issue, considerable sympathy for the justice of her claim had been expressed in Peru. Peru did not approve of the decree cancelling the contract, and instructed her minister in La Paz to use his good offices to compose the differences. These efforts continued until some time after hostilities had begun in February, 1879, and on March 5, 1879, Bolivia signed a protocol with Peru among whose bases was the suspension of the effects of the obnoxious tax law. Peru likewise directed her efforts at mediation to Chile. She sent to Santiago a mission headed by José Antonio Lavalle who proposed as a means of settlement the reëstablishment of the *status quo ante* by the Chilean evacuation of the occupied littoral and the submission to arbitration of the question of the Bolivian tax law and the cancellation of the concession-contract. Chile refused these terms or the submission of counter-proposals, stating that the question no longer involved a tax, but Chile's title to the soil of the territory. Lavalle proposed the submission of the question to arbitration and the temporary neutralization of the territory. Chile refused. The Chilean Minister of Foreign Affairs then assumed the initiative by denying Peru's disinterestedness, charging Peru with seeking to injure Chilean interests by her nitrate measures, and with keeping secret the treaty of alliance between Peru and Bolivia. Lavalle was now on the defensive. He did not admit knowledge of or possession of the secret treaty, but promised to inquire for it at Lima. Shortly thereafter, the Chilean Minister at Lima was shown the treaty, the defensive character of which was manifest. Lavalle was accused by Chile of insincerity in his attempted mediation, because of this Peruvian agreement with Bolivia. This hardly seems sustainable, for Peru, very weak militarily, had every interest in preventing a war between Chile and Bolivia, even apart from the stipulations of Article VIII of the treaty which bound her to seek to conciliate the belligerents.

It has already been shown that the Treaty of 1873, which had been openly discussed in diplomatic circles in La Paz, Lima, Buenos Aires and Santiago, was not unknown to the Chilean Foreign Office. All these facts lead to the conclusion expressed by Sir Clements R. Markham, the English historian, that Chile sought a pretext for the war against Peru, the object being the

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nitrate wealth of Antofagasta and Tarapacá. The Chilean Minister of Foreign Affairs brought the negotiations with Lavalle to a close by asking (1) a declaration of neutrality by Peru as a condition for the resumption of the *pourparlers*, (2) the abrogation of the Bolivian-Peruvian Treaty of 1873, and (3) the cessation by Peru of all armed preparations. Peru, finding it impossible to accept such conditions, a fact doubtless realized by the Chilean Minister of Foreign Affairs, Lavalle was dismissed and Chile declared war on Peru, April 5, 1879.

While there is no question that Peru entertained a feeling of suspicion against Chile, in evidence of which the secret treaty of 1873 has been cited by Chile; and while it is possible that the "nitrate policy" of Peru was not free from a desire to nationalize by eminent domain the entire nitrate works, still, with all possible allowances for the sincerity of the Chilean contentions, it is difficult to accept the Chilean assertion that "Peru provoked the war at the time when it considered Chile compromised and engaged in serious difficulties with Argentina" —shortly thereafter submitted to arbitral settlement—and that Chile was "dragged into the war" by virtue of "the offensive and defensive alliance between Bolivia and Peru." On the contrary, whatever inference against Peru may be drawn from the secrecy of the treaty, all the evidence indicates that neither the parties themselves nor those whose adherence was sought considered it anything but a defensive alliance for the maintenance of the *status quo*. Moreover, it is impossible to doubt the sincerity of Peru's effort to avoid and, if that proved unsuccessful, to terminate, the war between Chile and Bolivia. In the matter of motive, it seems reasonable to conclude that Peru had nothing to gain from a war against Chile. They were not adjoining countries, had no boundary dispute, and whatever guano and nitrate Chile had obtained through the treaty of 1874 with Bolivia, Peru had so much more that it is not reasonable to suppose that she coveted Chile's. On the other hand, the same absence of motive cannot be ascribed to Chile, whose policy had since 1842 been directed toward acquiring greater control of the nitrate territory.

THE WAR AND THE TREATY

The war resulted in an easy victory for Chile. At the battle of Tacna in 1880 the Peruvian and Bolivian armies were severely

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defeated, and after the failure of the negotiations initiated in 1880 by the United States, to be mentioned presently, the occupation of Lima and practically all of Peru by the Chilean armies and naval forces placed Chile in a position to dictate peace.

The United States, at an early stage of the contest, manifested its deep interest in bringing the conflict to a close by insistent offers of mediation. These succeeded to the extent that a meeting was brought about in 1880 between plenipotentiaries of the three belligerents and the American Ministers accredited to those countries on board an American naval vessel in the harbor of Arica. Chile having maintained that the war on her part was not a war of conquest, a position she has consistently maintained, but that she sought only reparation and "guaranties" for the future, it seemed not unreasonable to hope that an acceptable arrangement might be made. At the conference at Arica the Chilean plenipotentiaries demanded as the principal conditions of peace (1) the unconditional cession to Chile of the whole Bolivian littoral and of the Peruvian province of Tarapacá; (2) the payment of twenty million pesos by Bolivia and Peru; and (3) the retention of the occupied provinces of Moquegua, Tacna and Arica as a pledge for this payment, until it was effected. The conditions seemed shocking to the United States in the light of Chile's avowal that the war was not one of conquest. Tarapacá alone was of immense value in nitrate, and yielded large sums to Chile during its military occupation. Peru could not reconcile herself to the cession of Peruvian territory, but offered to arbitrate the question of indemnities and other questions arising out of the war. In this proposal she received the hearty support of the United States. Chile rejected the proposal.

Chile's refusal to negotiate on any but her own terms ended the Arica conferences. The occupation of Lima and the rest of Peru soon followed. Mr. Blaine, who had become Secretary of State, and who was an informed student of Latin-American affairs, was not discouraged in his efforts to mediate between the belligerents. Relying upon Chile's disavowal of the idea of conquest, yet recognizing her claim as victor to some indemnity, he sought, on the one hand, to temper the excessive demands of Chile for annexation of territory and large sums claimable only under the "right" of conquest and, on the other hand, to reconcile Peru to the cession of some territory. These efforts proving fruitless, Mr. Blaine then intrusted Mr. Trescot, of South

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Carolina, with a special mission to effect mediation. For him, the Chilean Minister of Foreign Affairs, Balmaceda, formulated the Chilean conditions of peace, which included, among other items, (1) the unconditional cession of Tarapacá; (2) the occupation of Tacna and Arica for ten years, at the end of which time Peru was to pay twenty million pesos, and (3) Tacna and Arica to be ceded to Chile if the money was not paid in the time indicated. Mr. Trescot considered it useless to present these terms to Peru.

President Garfield's assassination brought about a change in the State Department. Secretary Blaine was succeeded by Mr. Frelinghuysen, and the change was reflected in the American attitude toward the belligerents. American good offices were withdrawn and Mr. Trescot recalled. Finally, after an abortive negotiation in September, 1882, the Treaty of Ancon was signed, Article 3 of which has already been quoted. The treaty incorporated the provision for the perpetual and unconditional cession of Tarapacá; and with respect to Tacna and Arica, provided for continued possession by Chile for a period of ten years, at the end of which time a plebiscite was to be taken to determine by popular vote the definitive dominion and sovereignty of the provinces in question, the winning country to pay to the loser the sum of ten million pesos or soles, as the case might be; and a protocol to be agreed on was to determine the form of the plebiscite and the terms and time of the payment of the ten millions.

These negotiations and the terms offered by Chile in the course thereof have been set out in order properly to consider the Chilean contentions: (1) that the war was not one of conquest; and (2) that the provisions of Article 3 with reference to Tacna and Arica imply a complete cession of those provinces to Chile and were so intended. I shall later examine Chile's further contention that Peru has prevented the holding of the plebiscite.

That the war was not one of conquest has been affirmed by the official and unofficial spokesmen of Chile without exception. But if the war was not one of conquest, it yet remains true that for the ten to fifteen million dollars which it has been estimated to have cost Chile, Chile secured the entire Bolivian littoral and the Peruvian province of Tarapacá, together with the temporary and still unrelinquished administration of Tacna and Arica. The territories she secured were among the most valuable nitrate fields known. It appears that Chile more than supported her

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entire war expenses from the proceeds of the occupied Bolivian and Peruvian territory. What she has secured since would seem then to be clear gain and it has been estimated that from the province of Tarapacá alone one hundred and fifty million pounds sterling in nitrate wealth has already been extracted. That sum will doubtless be doubled before many years. In addition to nitrate, the territory contains guano, copper, silver and tin and deposits of salt and borax. The natural resources Chile acquired constitute the economic and fiscal backbone of the country and have developed Chile from a poor into a rich country, the duties on the exports of nitrate paying a large share of her budget expenses. No one would underestimate the high quality of Chilean citizenship nor the ability of her leaders in all branches of economic and intellectual activity. Yet in considering the character of the war of the Pacific it is difficult to escape the conclusion that the annexation of territories containing almost inexhaustible quantities of valuable natural resources can not be reconciled with a disclaimer of conquest.

Now, whatever may be said of the morality of conquest, it has been and still is a method of acquiring territory. On the American continent, it may be observed that the various nations of Latin-America, in view of the similarity of their origin and of many of their international questions have sought to work out a uniformity of principle in the settlement of their problems. Among the most conspicuous of these principles to which general Latin-American adherence has been sought has been that of outlawing conquest on the American continent as a method of acquiring territory and that of universal arbitration of all international disputes. General acceptance of the second would doubtless contribute materially to bring about the first. Earnest efforts to obtain unanimous support for these doctrines have been made at various Pan-American congresses. The International American Conference of 1889 unanimously adopted a resolution that "the principle of conquest shall not . . . be recognized as admissible under American public law," Chile abstaining from voting. These efforts to abolish conquest it may fairly be said Chile has since 1883 done nothing to aid; yet to the general American opinion, far more hostile to conquest than is that of Europe, Chile has been constrained to yield to the extent of repudiating the *purpose* of conquest in her actual seizure of Peruvian territory. Few modern nations have been

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willing to accept the moral obloquy involved in an admission of conquest, yet few have escaped the temptation of accomplishing the result when physically possible, justifying the conquest on grounds deemed adequate to itself, and sufficiently defensible to the outside world. Treaties embodying such conquest may be regarded as valid when signed by the victorious and the defeated countries and they are not, like ordinary contracts signed under duress, legally voidable on that account. They contain, however, an inherent moral defect; and their continued execution depends upon the continuance of the same preponderance of physical force which imposed them and of the continued plausibility of the grounds on which the conquest was justified. The abrogation of such treaties then is likely to be attempted whenever the object to be attained seems important enough to justify the effort, and whenever the balance of power sufficiently changes, either by a direct change in the relative strength of the two parties to the treaty or through the addition, by combinations, of strength to the defeated nation. This the defeated nation usually seeks to obtain diplomatically; and one of the customary methods is to persuade other powers that the grounds advanced in justification of a conquest are indefensible. When the intention of conquest is entirely repudiated, as in the case of Chile, and the justification for annexations is placed on the ground of indemnity for war expenses and sacrifices, and "guaranties" for the future, it would seem that Peru is at least warranted in calling attention to economic statistics to escape the burdens imposed by the treaty.

To Peru, the greatest injury imposed by the Treaty of Ancon has been the compulsory cession of the rich province of Tarapacá. Tacna and Arica, with their 42,000 inhabitants and lack of natural resources, have had little more than a sentimental value. The charge brought by Peru against Chile of a violation of Article 3 in refusing to hold the plebiscite and in retaining Tacna and Arica has been associated with the effort to use it as a basis for denouncing the entire treaty, as an integral unit of interdependent clauses, and thereby to invalidate the cession of Tarapacá. This impeachment of Chile's title to Tarapacá would appear by the present protocol of arbitration, to be abandoned, for it is expressly recorded "that the only difficulty arising out of the Treaty of Ancon concerning which the two countries have not been able to reach an agreement, are the questions arising out of

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the unfulfilled provisions of Article 3." By the protocol, therefore, Chile gains the relinquishment of Peru's former claims of the invalidity of the entire treaty and notably of the cession of Tarapacá, and leaves open merely the question as to who shall have the unimportant area of Tacna and Arica. It is regrettable that so comparatively trifling a question should have been permitted so long to disturb international relations.

TACNA-ARICA AND THE PLEBISCITE

The condition as to holding a plebiscite in Tacna and Arica not having been performed, the spokesmen of Chile have devoted themselves to an endeavor to show that when the condition was stipulated it was fully understood that the cession was absolute and definitive and that the plebiscite was a mere formality not seriously intended to be carried out, and designed to "save the faces" of the Peruvian negotiators. Inasmuch as Chile was in a position to dictate the terms of the whole treaty, there is no reason to suppose that the language used does not accurately express Chile's intentions at the time. Article 3 provides that Tacna and Arica, then militarily occupied by Chile, "shall continue in the *possession* of Chile, subject to Chilean legislation and authority for a period of ten years. . . . At the expiration of that term, a plebiscite will decide . . . whether the territory . . . is to remain definitely under the dominion and sovereignty of Chile *or is to continue to constitute a part of Peru.*" (Italics mine.)

The meaning of these clauses seems clear. Chile is to continue a *possession* she then exercised. Such possession was at the time military occupation which automatically subjected the territory to Chilean legislation and authority. That possession or occupation are not the equivalent of sovereignty seems obvious. If it had been intended to transfer complete sovereignty to Chile, how could the negotiators, in describing the status after an eventual plebiscite favorable to Peru, have used the phrase, "*is to continue to constitute a part of Peru.*" Evidently it was recognized to be and to continue *a part of Peru*, which precludes the validity of the contention that it was to become immediately a part of Chile. That could not happen until a plebiscite favorable to Chile had taken place, and that condition having been accomplished it was thereafter "to remain definitely under the dominion and sovereignty of Chile." That is, Tacna and Arica were to

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continue to be a part of Peru until a condition precedent, a vote favorable to Chile, occurred as an operative fact to transfer complete and permanent sovereignty to Chile. It was not, as Chile has contended, a complete cession of sovereignty to Chile, subject to being divested by the happening of a condition subsequent, a vote unfavorable to Chile. But for the earnestness with which numerous Chilean publicists have advanced the contention that complete sovereignty was immediately transferred to Chile, it might be said that the construction of the express language of the article was not open to serious question.

The advocates of Chile earnestly contend that the provision for a plebiscite was a mere formality designed to allay public opinion at home in Peru and to remove all pretext to the opposition against the new government which signed the treaty; and that the negotiators were fully aware that it was intended to be a complete cession of sovereignty to Chile, the plebiscite being a mere screen to "save their faces." This view is believed to be widely entertained in Chile. Those who advance it do so in order to explain the failure to hold the plebiscite, presumably on a theory that a failure to do that which was not intended to be done negatives culpability. Without emphasizing the fact that this view contradicts the plain words of the treaty, it does not seem to be consistent with the allegation that Chile has used all reasonable efforts to have the plebiscite held, but that Peru has prevented it.

A final contention of Chile and of Peru which it is proper to consider relates to the responsibility for the non-performance of the condition requiring the holding of the plebiscite. Chile charges Peru with obstructing it; Peru makes an identical charge against Chile. To arrive at a probably correct conclusion it would be necessary to examine in detail the confusing course of a long series of diplomatic negotiations, marked by all the undisclosed and hidden motives which characterize the vicissitudes of diplomacy. For this examination, space is lacking. On the whole it may be said that Chile's attitude toward making arrangements for the holding of the plebiscite has been passive, whereas that of Peru has been active. Chile's willingness to entertain proposals has varied somewhat according to the status of her international relations with Argentina and Bolivia. The prospect of difficulties with those countries, especially with the former, as in 1898, has inclined her from time to time to agree to

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some of the various Peruvian proposals for the plebiscite; whereas a lessening in the tension with Argentina or Bolivia has been marked by greater firmness toward Peru. The difficulty of negotiation has been increased not infrequently by sudden changes in governments, short tenures of Ministers of Foreign Affairs, and the consequent necessity for suspending negotiations under way and of taking up with an uninformed Minister, or one adopting a new policy, the thread of former negotiations.

The long and tortuous negotiations for the holding of the plebiscite were begun in August, 1892, and were renewed, at intervals, until 1912. Inasmuch as they all proved abortive, it may suffice to mention merely the principal proposals advanced by one or the other party at different stages during the several negotiations between 1892 and 1912, when negotiations practically ceased, with the suspension of diplomatic relations between the two nations. The Peruvian proposals at one time or another included the following: Withdrawal by Chile, in return for free entry of Chilean goods into Peru; the plebiscite to be held by Peru or by a neutral Power; a division of the territory into two zones, Peru to conduct the voting in the northern zone, Chile in the southern, payments to be effected by a free market to Chilean goods; arbitration of the entire issue or of the particular question as to who shall have the right to vote, natives only, or all the residents. It soon appeared that the qualifications of the voters as well as the control of the election were vital questions. The principal Chilean proposals included: A division of the territory into three zones, the northern to go definitely to Peru, the southern to Chile, and in the middle a plebiscite to be held, the winning nation paying the loser four million pesos or soles, with an extension of the Chilean possession to 1898; the annexation of Tacna and Arica by a new treaty; a proposal of 1910, providing for a plebiscite to be open to those who had resided in the territory six months, the election board to be presided over by a Chilean, the vote to be taken six months after ratification of a protocol. The scheme seemed transparent to Peru, but she countered with a suggestion by which the vote was to be open to those who had resided in Tacna and Arica since July, 1907, the board to be presided over by a neutral. Realizing that Peru was financially embarrassed, Chile occasionally blocked negotiations by insisting on the production of the ten millions before the holding of the plebiscite, though it is quite

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probable that Peru could, in the event of winning, have obtained the necessary loan on her unpledged resources. Finally in 1912, President Billinghurst, harassed and discouraged, and desirous of getting the question temporarily disposed of, actually agreed by telegram to accept the following Chilean bases: A postponement of the plebiscite until 1933, Chilean "occupation" continuing; the election board to consist of five delegates, two Chileans, two Peruvians, and the Chief Justice of Chile, presiding; the voters to consist of all the natives and all those resident for three years in the territory who could read and write. This proposal the Peruvian people and Congress flatly rejected.

The nearest approach to an agreement was in December, 1893, when a draft protocol was concluded, providing for a vote by resident Chileans and Peruvians over 21, including Chileans who had resided two years in the provinces, the losing nation to be allowed an agreed advance of frontiers, and payment, in bonds, to be reduced to three millions; and again in 1898, when the so-called Billinghurst-Latorre protocol provided for an arbitration by Spain of the questions: Who shall vote and the qualifications of the voters, and whether the voting shall be public or secret. Chile declined ratification to both these protocols.

Peru's efforts after 1912 were directed largely toward creating a sentiment favorable to the arbitration of the whole Tacna-Arica controversy. Peru heartily supported the effort of the Pan-American Congress of 1901 to commit itself to a resolution favoring universal arbitration of all American questions. Chile resisted such a resolution and threatened not to send delegates if such a resolution were placed on the program of the Conference. Apart from the unratified protocol of 1898, it was not until 1921 that Chile manifested positive acquiescence to submit to arbitration any element of the issues involved, finally agreeing in the protocol of July 20, 1922, now awaiting ratification, to submit the single question whether or not a plebiscite shall now be held, and if so, on what conditions.

It should be observed that in 1900 the population of Tacna and Arica was still overwhelmingly Peruvian. Another circumstance then requires attention. After the failure of Chile to ratify the Billinghurst-Latorre protocol, Chile began in the provinces of Tacna and Arica a policy which has been called "Chilenization." This has consisted in the closing of schools conducted by Peruvians, the extension of the military zone to

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Tacna, the dismissal of Peruvian prelates and interference with Peruvian religious establishments, the initiation of a Chilean press propaganda and restrictions upon Peruvian press and political agitation, and a colonization policy for Chileans. More recently, the expulsion of Peruvians has been alleged. Doubtless Chile has felt herself justified in adopting some of these measures for the maintenance of Chilean patriotism in what she has deemed to be Chilean territory. Many of the charges of arbitrary oppression which Peru has directed against Chile because of her "Chilenization" policy are explainable on this ground and on the ground that the assumed Chilean sovereignty conferred the privilege of enacting any legislation considered essential in the interests of the sovereign. However much such an explanation tempers the culpability or arbitrariness of the measures adopted, it has, I believe, no legal foundation in that Chile never was or has been the legal sovereign in Tacna and Arica, but merely exercised the rights and powers of an occupant.

And now, through the initiative of President Harding and Secretary of State Hughes, the two contending nations have been brought to an agreement for a limited arbitration of the question which so long has disturbed friendly relations between them. The case illustrates the difficulties to which a postponement of a plebiscite to the future are almost certain to give rise. Conditions in the disputed territory, notably the personnel of the population, have so greatly changed since 1894, that it is doubtful whether a plebiscite held today would, under any circumstances, reflect conditions of 1894 or carry out measurably the stipulations of the Treaty of Ancon. For that reason, and because of the extreme difficulty of arranging satisfactory terms and conditions for a plebiscite, it may well be that the distinguished arbitrator will decide that a plebiscite today is impracticable. In that event, the two parties will endeavor again to enter into direct negotiations for a final settlement of the status of Tacna and Arica, and given a sufficiently accommodating disposition, there should be no difficulty in arriving at an agreement. Should the two governments be unable to agree, they "will request the good offices of the Government of the United States, in order that an agreement may be reached." These good offices, now for the first time invoked by both parties, should insure a prompt and satisfactory disposition of the long-standing controversy.

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One other matter requires consideration. Bolivia was through the War of 1879 deprived by Chile of her littoral, a cession which she has since confirmed by formal treaty (1895 and 1904). Ever since then she has made demands, now on Chile, now on Peru, for that access to the sea of which she was deprived. On several occasions, tentative agreements to give her such access have been concluded, but they have never been carried into effect. Bolivian diplomacy has vacillated between a Chilean and Peruvian rapprochement, as either one or the other seemed the more disposed or able to satisfy Bolivia's demand. When the arbitration proceedings and diplomatic negotiations between Peru and Chile contemplated by the accord of July 20th shall have been concluded, it will be proper to enter into friendly negotiations with Bolivia for the satisfaction of an economic demand which a considerable public opinion believes to be at least just if not legally sustainable. Until such demand is satisfied by the slight concession which that will require, the Question of the Pacific will probably not be finally adjusted. American public opinion entertains the justifiable expectation that the troublesome questions arising out of the War of 1879–1883 shall now be definitely and justly disposed of and settled.

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THE NEXT AMERICAN CONTRIBUTION TO CIVILIZATION

By Charles W. Eliot

IN THE summer of 1896 I gave an address at the original Chautauqua, created and conducted by Bishop John H. Vincent of the Methodist Episcopal Church, on "Five American Contributions to Civilization." In the last paragraph but one of the address these five contributions were succinctly described and characterized as follows:

"These five contributions to civilization—peace-keeping, religious toleration, the development of manhood suffrage, the welcoming of newcomers, and the diffusion of well-being—I hold to have been eminently characteristic of our country, and so important that, in spite of the qualifications and deductions which every candid citizen would admit with regard to every one of them, they will ever be held in the grateful remembrance of mankind. They are reasonable grounds for a steady, glowing patriotism. They have had much to do, both as causes and as effects, with the material prosperity of the United States; but they are all five essentially moral contributions, being triumphs of reason, enterprise, courage, faith, and justice, over passion, selfishness, inertness, timidity, and distrust. Beneath each one of these developments there lies a strong ethical sentiment, a strenuous moral and social purpose. It is for such work that multitudinous democracies are fit."

I wished to emphasize in this paragraph that the five contributions were not material but moral, not evidences of a coarse and selfish materialism in the American people, but on the contrary evidences of a good spiritual quality as the result of their experience in political and social liberty, and in chronic conflict with their various foes—some of them human beings, and some adverse forces of Nature.

Ten years earlier, at the two hundred and fiftieth anniversary of the First Parish Church in Cambridge, in an address entitled "Why we honor the Puritans," I had spoken near the end of the address as follows, trying to answer the question: Have we, the descendants of the Puritans, ideals for which we would toil, and suffer, and if need be die?

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"The Civil War gave one answer to that question. But I believe that in peace as well as in war our nation has shown that it has ideals for which it is ready to bear labor, pain, and loss. I believe that no people ever sees clearly those steps in its own progress, those events in its own life, which future generations will count glorious. Yet I think we can discern some moral ideals toward which our generation strives. We strive toward a progressive improvement of human condition, an amelioration of the average lot. We begin to get a realizing sense of that perfect democratic ideal—'We are all members one of another.' The gradual diminution of the exercise of arbitrary authority in the family, in education, and in government is another ideal toward which we press. We have come at last to really believe that he that would be greatest among us must be our servant."

The reason I gave in that address for honoring the Puritans was that they were "stout-hearted for an ideal—not our ideal, but theirs—their ideal of civil and religious liberty. Wherever and whenever resolute men and women devote their lives and fortunes not to material but to spiritual ends, there and then heroes are made, and, thank God, are made to be remembered. The Puritans thought to establish a theocracy; they stand in history as heroes of democracy."

When the late World War was only two months old, I published in the New York *Times* a letter on "True National Greatness." I remarked that "In North America there are two large communities—heretofore inspired chiefly bv ideals of English origin—which have never maintained conscripted armies, and have never fortified against each other their long frontier—Canada and the United States. Both may fairly be called great peoples even now; and both give ample promise for the future. Neither of these peoples lacks the 'stout and warlike' quality of which Sir Francis Bacon spoke;[1] both have often exhibited it." And then I asked the question—What are the real ambitions and hopes of the people of the United States and the people of Canada in regard to their own future? That question I answered in part as follows:

"Their expectations of greatness certainly are not based on any conception of invincible military force, or desire for the physical means of enforcing their own will on their neighbors. They both believe in the free commonwealth, administered justly, and with the purpose of securing for each individual all the freedom he can

[1] *True Greatness of Kingdoms and Estates.*

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exercise without injury to his neighbors and the collective well-being. . . . They believe that the chief object of government should be the promotion of the public welfare by legislative and administrative means; that the processes of government should be open and visible, and their results be incessantly published for approval or disapproval. They believe that a nation becomes great through industrial productiveness and the resulting internal and external commerce, through the gradual increase of comfort and general well-being in the population, and through the advancement of science, letters, and art. . . . They think that the peace of the world can be best promoted by solemn public compacts between peoples—not princes or cabinets—compacts made to be kept, strengthened by mutual services and good offices, and watched over by a permanent international judicial tribunal authorized to call on the affiliated nations for whatever force may be necessary to induce obedience to its decrees. . . . The new ideals will still need the protection and support, both within and without each nation, of a restrained public force, acting under law, national and international, just as a sane mind needs as its agent a sound and strong body. Health and vigor will continue to be the safeguards of morality, justice and mercy."

Here again I maintained that the ideals of the American people were *not primarily physical comfort and private and national* wealth, but rather morality, justice, mercy, and spiritual well-being in family and State.

Two months later in a letter printed in the same newspaper[2] I said:

"The immediate duty of the United States is presumably to prepare, on the basis of its present army and navy, to furnish an effective quota of the international force, servant of an international tribunal, which will make the ultimate issue of this most abominable of wars, not a truce, but a durable peace." Now, duty is the offspring of knowledge and sentiments or loves.

"When duty whispers low, Thou must,
The youth replies I can."

This call to service for mankind was obeyed two years later by the American people with a whole-souled enthusiasm, which took small account of property losses, private or public, of huge government debts, of high taxes, or loss of life or health by their

[2] 11 December, 1914.

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young men. Military success against autocratic governments and their selfish and cruel policies of conquest became the one object of the whole people, no matter at what cost. The National Administration had held back on going into the fierce War between the despotic and aggressive powers and the constitutional governments, had revived Washington's advice to the little feeble commonwealth planted on a narrow strip of the eastern seacoast of what are now the continental United States—that it keep out of European entanglements—and contented itself with ineffective verbal protests against the violation of "neutral rights"; but in April, 1917, Administration, Congress, and People went into the horrible War with the hope and purpose of destroying autocracy in Europe, promoting democracy everywhere, providing international means of preventing war in the future, and making the world a better place for future generations to live in. Surely, this was a prodigious moral enterprise, into which material and selfish considerations entered hardly at all.

In the twenty or thirty years which preceded this high resolve, the American people had made some other contributions to civilization in addition to the five I dwelt upon in 1896. These should now be set forth.

The American democracy has made a very important contribution to human welfare in that it has developed in its men a greater tenderness and a deeper reverence towards women and children than any other race or nation has ever exhibited. With this development has come in married pairs a spirit of sympathetic comradeship and of mutual affectionate effort for the benefit of children, which is a great improvement on the relations between the sexes that have heretofore prevailed in other nations or under other forms of government. Now, the attainment of happiness is more dependent on good relations between the sexes and on the domestic joys than on any other conditions of human life. Therefore, this American contribution to human welfare is fundamental, legitimate, and durable; and it is a spiritual or moral contribution, not a material one.

The physical conditions under which the American continent has been occupied by people of the English and American stock account in part for this moral accomplishment. All across the continent the real pioneering line—often preceded by a skirmish

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line of male adventurers—has been a line of families, for which the men have provided such protection as was possible, while the women have shared heroically in the dangers and hardships of the life. As the pioneering line advanced, it organized villages, districts, towns, churches, and schools which took common action for defense, for education, and for religion, and through these organizations the family was protected and nurtured. For three hundred years this development of family life on fresh soil has gone on without any hindrance from feudal system or ecclesiastical power, and with a steady fostering of individualism in liberty.

The physical conditions under which American society has developed have had another interesting effect on the character and habits of the people. Every generation has encountered tremendous evils, some of them effects of adverse forces of Nature and others results of man's folly or wickedness, against which it has had to struggle, such as inordinate heat or cold, drought, storms, pests, pestilences, contagious diseases, and attacks by savages or by civilized men who allied themselves with savages. Hence arose the practice in the American communities of resisting strenuously the evils which came upon them, and not only resisting but trying to prevent them. Cooperation in resisting or preventing evils and wrong-doings has been the great training-school of the American democracy. The initiative in this cooperative action often came from individuals of "light and leading"; but the cooperative effort was usually made by a group, sometimes small but often large, or was shared by the entire community. That cooperation of private citizens for public ends has characterized the American people for three hundred years.

Two recent reforms in the field of public health—the Prohibition Amendment and the repression of venereal diseases and of the commercialized vice which produced and spread them—have been within recent years the products of this cooperation of private citizens for public ends. The entrance of the United States into the World War gave a great impetus to both of these reforms; but the Prohibition legislation had been in gradual development for nearly thirty years in Kansas, and in several southern states for ten or twelve years, while the way toward the repression and ultimate extinction of the venereal diseases had

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been shown for some years before the War by private societies. The results of the War prohibition of the sale of alcohol in and near the camps or barracks of the forming National Army showed millions of Americans how the hideous evil of alcoholism could be successfully resisted and reduced, and with patience exterminated, and led directly to the adoption of the Prohibition Amendment by an overwhelming majority of the American voters. Thus the American democracy has led the way in strenuous conflict against one of the worst evils which have beset civilized mankind in modern times. Here are two admirable illustrations of the training the American people have received during the three centuries of their occupation of American soil from their habit of resisting the physical or moral evils which their mode of life brought upon them, while they were free to either overcome or succumb to those evils. That is God's way of forming sound character in either an individual or a race.

In no field has this method of resisting evils been more conspicuous than in the field of medicine or public health. Accordingly, the profession of medicine has been held in higher esteem and been given a better status in American society than anywhere else in the world. It has exercised a stronger influence on community affairs than in any other nation. In many a village or small town all over the United States the doctor has been, and still is, the leading citizen, and the habitual adviser, not only of the town meeting, but of the principal families of the town or district. He is the person who can best tell his community how to attack and prevent the evils to which they find themselves exposed. In recent times the physician has often surpassed in American communities both the lawyer and the minister as influential citizen. In many an American manufacturing community today the physician is more competent than any other member to show the community how to resist or prevent the evils which afflict them. Cooperative resistance to evils is in the modern world the great means of social and industrial progress; and in democratic communities it is the physician who gives the best example of accuracy in determining facts, caution in drawing inferences, and disinterestedness and public spirit in his mode of life.

It is the fashion at home and abroad to represent American society and its motives as in the highest degree materialistic, and

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to cite as illustrations of this doctrine the extraordinary number and value of the inventions which American inventors have contributed to productive industries and the general means of livelihood, such as the telegraph, the telephone, the sewing machine, the mower, the reaper, the rotary printing press, and the machines which get light, heat, and power from electricity. But while such inventions have, indeed, greatly contributed to man's control over nature and to his utilization of natural resources, what kind of a product are the inventors themselves? They have been, and are today, men of unusual natural gifts who have developed as individuals in the freedom of democratic society, a society which produces more abundantly than any other the individual of rare natural endowments, and then gives him freedom to develop in accordance with his natural tendencies and devotions. In other words, the extraordinary new advantages which American inventiveness has given to the whole world are not primarily materialistic in origin, but a mental and spiritual result of the moral character and comprehensive goodwill which democracy develops in both individuals and groups. The new means of communication due to American inventiveness are no more materialistic in essence or in effect than the post-office. They bring near together people who live wide apart, and so facilitate human intercourse, which is good and useful in the main, though sometimes indifferent or even bad.

It appears from this review that the American people have from the first settlement of Europeans on the Atlantic Coast been steadily contributing not only to the promotion of liberty among mankind, but also to the improvement of all those conditions of human life which make for greater comfort, security, and happiness. The phrase in the Declaration of Independence that everyone is entitled to "life, liberty, and the pursuit of happiness" is highly significant as descriptive of the benevolent objects to which the American people have intentionally and persistently been striving to attain, not only for themselves but for all men. But how have the American people been obliged to live themselves through these centuries of well-directed effort? It is no exaggeration to say that they have been compelled to live ready to use force or violence against opponents—men or natural evils—and prepared to fight all the time.

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In the Pilgrim Colony at Plymouth every able-bodied man bore arms and was trained in the use of the guns of that day; and for more than a generation the military force of the colony was under the command of an impetuous and combative professional soldier. In the Puritan Colony of Massachusetts Bay the same state of things existed from the moment when the pioneering Puritan farmers moved away from their ships and their harbors. The men were always armed and equipped for fighting. The Puritan men carried their guns when the family went to Meeting, and kept vigilantly on their guard against the stealthy savages.

The Somes family established early in the eighteenth century at Gloucester, Massachusetts, sent some of their men to explore the wealth of the Maine coast in forests, fish, and water-power before the middle of the century; but they waited to move as a family to the head of Somes's Sound till after Wolfe's victory over Montcalm settled the question which race was to be supreme on that shore, the English or the French. The English colonists in New England took active part in the long series of combats with the Indians, and with the French and Indians in alliance, all the way to the Great Lakes and the Mississippi. When the Revolutionary War broke out, it appeared that at least in New England most of the young men not only knew how to fight, but were ready to do so. Many of the officers in the army which gathered so promptly in Cambridge were men of considerable experience in warfare, and the privates in the patriot soldiery not only attacked in flank and front veteran British troops retreating from Concord and Lexington, but within three months of the outbreak of the war actually repulsed twice some of the most experienced troops in the British army, who assaulted most gallantly the hastily constructed redoubt and fence on Bunker Hill. The Salem, Boston, and New York merchants, who undertook to open trade with the northwest coast of America or the Far East, habitually equipped their trading vessels with plenty of guns and ammunition, and expected bloody encounters with savages, pirates, or the armed forces of the tribes with which they sought to trade; but they never had any difficulty in procuring officers or crews for these vessels, which were expected to fight as well as meet the dangers of the seas.

Within about twenty years of the adoption of the Constitution of the United States the American people found themselves again at war with Great Britain, and again they showed themselves

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competent and ready to fight, though they fought better on the water than on the land.

Between 1815 and 1855 there was a long period during which bearing arms declined as a habit of the northern section of the American people; and simultaneously skill in the use of firearms in gunning and hunting also declined. So the Civil War opened with plenty of fighting spirit in the northern states, but with a lack of fighting skill which it took the northern troops a year or two to overcome. The southern whites, because of the existence of slavery among them and their liking for shooting game as a sport and a means of livelihood, came better prepared than the northerners to the early battles of the war. But before two years had elapsed the northern troops had acquired as much skill as the southern, and began to win success on hard-fought battle-fields. Before the war ended, the combatants on the two sides fought with equal skill and spirit. The north prevailed, because it had more men and more military and industrial resources, and because it was fighting for Union and against slavery.

Before another generation had passed, the United States went to war again, this time with Spain and more in the interest of Cuba than in their own. Again the fighting spirit of the American people promptly manifested itself on sea and land. The amount of fighting in and around Cuba was comparatively small, and was brought to an end by the generous offer on the part of the United States to send all the Spanish troops in Cuba home to Spain at the cost of the United States. The fighting, however, was much prolonged because the United States, having paid Spain twenty million dollars for the "sovereignty" (whatever that might mean) of the Philippine Islands, had to overcome by force the resistance of the Filipinos, or of a part of them, to the transfer. This fighting was of a kind and for an object highly displeasing to the American people as a whole; but it was persisted in till its object was attained.

What the fighting spirit of the American people was in the World War it is needless to describe. It grew hotter and hotter as the horrors of the prodigious combat increased, and was demonstrated in every field of war endeavor, in the trenches, in the open assault, in the provision of munitions and supplies, and in the hospitals. It appeared in the energetic action of the national and state governments, and in the efficient operations of the numerous patriotic voluntary associations that undertook to supply the

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physical and mental needs of the soldiers and sailors. Here was a nation which had never before had a real conscript army, had experienced no attack on its own territory for more than a hundred years, and had never before sent an armed force into Europe, suddenly undertaking to pour an immense force into France, and to feed and supply it there in the amplest manner, and all for no material objects or selfish ends of its own, but only to bring help to other nations whose liberties and rights were attacked. The American youth who died in France were not fighting for endangered homes, or for their own freedom to live and work as they pleased. They fought and suffered and died for the advancement and security of public liberty under law, for the diffusion of comfort and security among all classes and conditions of men, and in defense of human welfare and happiness wherever threatened. They had no hesitation about using force to promote these ends, or any scruples about killing and wounding their opponents in order to attain them. Again the fighting spirit in the American people, a result of their three centuries of experience on the fresh American continent!

The Government of the United States has always maintained that it would not intervene forcibly in the domestic affairs of the Central and South American Republics, and particularly of the island republics in the Caribbean Sea. Nevertheless, both the preceding national Administration and the present have felt no difficulty in using the army and navy of the United States for armed intervention in the affairs of some of those republics; and neither of the two great political parties in the United States has thus far shown any disposition to make an issue with either Administration on this subject.

When the police force of Boston suddenly struck, and left the city for some hours at the mercy of hoodlums and criminals, there was an instant response from all classes to the call of the Governor for volunteers to replace the strikers; and within a few weeks a carefully selected and well equipped State Guard was organized to preserve order and protect property throughout the commonwealth. It then appeared that the fighting spirit in Massachusetts had in no way abated through disuse, or in consequence of the large additions, racially heterogeneous, which had been made to her population.

There can be no doubt that all the philanthropic and spiritual contributions the American people have made to civilization—

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and such are by far their most important contributions—have depended for support and diffusion on their willingness to suffer and fight for them. To these very experiences of suffering in fighting is due the characteristic American advocacy of neutral rights, arbitration, and peace.

When the armistice was unexpectedly signed on November 11, 1918, the state of mind of the American soldiers in France underwent a sudden change. They all wanted to get home at once, and to resume their civil occupations; and many of them, but by no means all, avowed that they never meant to do any more fighting except in defense of their own country and people. Never again would they encounter the sufferings and hardships of the soldier's life, or run the risk of being killed or disabled, for the sake of any other people or nation, or in any way contribute to the enforcement of any treaties or alliances which might hereafter be made for the benefit of the Allies, of the nations which had been neutral during the war, or of the new states which had been created or were to be created as results of the war. No more sacrifice of American lives or American savings should be made for the benefit of foreigners.

Shortly after the signing of the armistice, some political leaders at Washington, made aware of this state of mind among the returning soldiers, began to talk about the secure isolation of the United States and the self-sufficiency of their resources, and to preach the dubious doctrines expressed in the phrases "safety first" and "America first." These slogans are both capable of good uses; but these politicians used them in their selfish and ignoble significations. When the probable terms of the Treaty of Versailles became known, a formidable proportion of the members of the Senate gave notice that they should vote against the ratification of any treaty under which the American people might assume an obligation to enforce the decisions of the Assembly and Council of the League of Nations. Partisan politics had something to do with this demonstration in the Senate against the treaty and the League of Nations which was incorporated with it; but there were members of the Senate who really believed that the conduct of the American people towards their late comrades in arms and towards the promotion of human welfare in general, political, economic, or social, might properly be there-

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after determined solely by the commercial and financial interests of the American people, and not by any philanthropic or humanitarian emotions or sympathies. The platform of the Republican Party endorsed this demoralizing doctrine. This was an extraordinary departure from the moral principles which the whole experience of the American democracy had inculcated, and the birth of the Republican Party had nobly illustrated.

In November, 1920, the Republican Party returned to power, after an interval of eight years, with an overwhelming majority in both the Senate and the House and complete possession of the administrative organization. The new Administration believed that it had received from the people an emphatic mandate to prevent the United States from incurring any obligation to assist Europe, on either the political or the economic side, to recover from the desolation and chaos which resulted from the war, and particularly to keep the United States out of the League of Nations, because one article in that covenant contemplated the possible use of some international force to prevent outbreaks of war.

Accordingly, the United States have taken no direct official part in any of the international efforts to rescue Europe from its present deplorable condition, although they have sent unofficial observers, or lookers-on, to some of the conferences or meetings on means of rescue. The attitude of the American Government toward all these efforts has been cold and unsympathetic, and as a matter of fact the efforts of the other nations have been crippled by the abstention of the United States. The League of Nations has been well organized, and its membership having been much increased, it has done some effective work toward the re-establishment of order in Europe and the prevention of sporadic fighting; but it cannot accomplish the objects for which it was created until the United States take active part in its work. Why does the American Government maintain this weak and ungenerous attitude? Because it believes that the American people have turned their backs on their history, including that of the five years from 1914 to 1919, and have decided that they will fight no more and suffer no more for other peoples or in the general cause of liberty, justice, and peace for mankind.

There is serious doubt whether any large part of the American people has suffered this moral collapse. In the Presidential election of 1920 some temporary motives took effect on consider-

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able bodies of voters. Thus the German-Americans wished to express their disapprobation of the hatred of Germany which American fighting in Europe on the side of the Allies had engendered; and it seemed to them at the moment that their only way to express that feeling was to vote the Republican ticket. Again the Irish-Americans, contrary to all precedent, voted the Republican ticket in many states and municipalities, because that seemed to them the best way at the moment to express their hatred for Great Britain and their desire to see the British Empire disrupted. Furthermore, in several states and large communities the Management of the Democratic Party was so bad that it was difficult for a patriotic citizen to vote for any of the candidates that Management nominated.

In the two years which have elapsed since the last Presidential election divisions have appeared within the Republican Party itself on such important matters as the Bonus Bill, the Emergency Tariff Bill, the Permanent Tariff Bill, and the proper dealing by the government with the strikes which now threaten the comfort and security of the public and the business prosperity of the whole country. Clearly the American public is beginning to desire that their government assume a vigorous and generous attitude both at home and abroad, an attitude determined not by cowardly selfishness or timid circumspection but by brave disinterestedness. It is highly significant that hundreds of college students and young graduates are at this moment attending at their own charges camps for military instruction and training in which the teachers are men who saw service in the late war. These youths propose to be ready to serve effectively when next their country summons them to fight; they do not like the present attitude of the American Government towards suffering humanity, and hope and expect that the American people will shortly return at whatever risk to their traditional policies in favor of arbitration in international disputes, the development of International Law, the maintenance of an International Court with the usual sanctions for its decisions, and the abolition of war for expansion or conquest. These young men constitute an important element in the new voters. The ex-soldiers who rashly say that they will fight no more have no influence with them.

In the hope of making some contribution to the settlement of Europe and the prevention of war, while still keeping America out of European alliances and treaties, the American Government

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called and led the Washington Conference. In both the original and the revised Agenda prepared by the Department of State reduction of land forces appeared as one of the prime subjects for consideration at the Conference; but when France declared that she could not reduce her army effectively unless she were promised aid by Great Britain and the United States in case she were again attacked, the reduction of land forces was dropped incontinently by common consent. The United States would give no such promise. Now, it is impossible to restore Europe, either politically or economically, unless the burden of maintaining armies which withdraw all the able-bodied young men of each yearly class from productive industry for a long period, such as three years, two years, or even one year, can be lifted, and this great item of expenditure be removed from each national budget. For example, France cannot re-establish a sound budget and acquire again a sound currency unless her expenditures on her army can be largely reduced. On the other hand, it is obvious that every nation in Europe, and in North and South America as well, must maintain a trained and disciplined military force which can be called upon at any moment by the national government to preserve order and prevent violence in any part of the country. How to train such a national force at low cost, and to keep it always efficient and on instant call, the Swiss Republic has shown the rest of the world; but this lesson can be accepted by the other European nations only when the United States will take the responsibility of urging it.

At the Washington Conference the American Secretary of State carried by great audacity and firmness a serious reduction in the cost of the navies of the leading naval powers; but the reduced navies are to be kept in prime fighting order with all the latest improvements in submarine and aerial activity. This is a gain for the budgets of the few naval powers which is well worth while, but has little effect on the bankrupt condition of the majority of the European powers, and slight if any effect toward the abolition of war. The pacts made at Washington with regard to Pacific Ocean affairs and Far Eastern powers contained no provision for the enforcement of the agreements. If any nation violates or disregards them, the remedy is only more conference. At the Washington Conference the United States did not undertake to use its army or navy, or any part thereof, to enforce on land or sea the agreements into which they entered. The Ameri-

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can people seem still to hold the position that they will make no more sacrifices for the promotion in the world of justice, liberty, and peace. How can any lover of his country believe that the American spirit has really sunk so far? How can anyone fail to see that no progress can be made toward the abolition of war until America becomes a full partner in that holy enterprise, and takes all its risks?

Nevertheless, the Washington Conference, in spite of its failure to promise the use of America's armed forces to support the decisions of the new International Court and of the Assembly and Council set up by the League of Nations, and in spite of its general inconclusiveness, did make some gains toward the adoption of better means than militarism and war of settling international disputes. It stopped for a time the ruinous competitive building of navies. In the Four Power Treaty concerning Pacific Islands the United States agree to take part in the discussion of any failure to observe the treaty, although the matter to be discussed is no concern of theirs—a distinct step in advance. The abrogation of the Anglo-Japanese alliance was a real gain towards peace in the Orient; and so was the consideration given by the Conference to the grave Chinese problems which were brought before it. For these accomplishments American patriots may be thankful, while they deeply regret that the Conference stopped so far short of the bold measures needed.

One excuse can be offered for the present reluctance of the American people to take their full share in international action. They have always objected to national action in general, not excepting national action in favor of education and the public health. State rights seemed during the period of the Civil War and the years that immediately preceded and followed that war chiefly a doctrine held in the southern states and based on the desire to resist the attack on slavery by the northern states; but in reality the policy of state rights commends itself in the northern states on many local issues, and even on issues which are inevitably of national scope, like prohibition, tariff, quarantine, irrigation, conservation, and national parks. Some recent events have opened the mind of the people to the indispensableness of national action against evils which take effect, or are liable to take effect, all over the country. It is no use to eradicate hookworm disease in spots. It must be exterminated on large areas, and then every recurrence must be detected and stopped by an

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authority which can operate at short notice wherever in a broad territory the disease may reappear. It was not until prohibition was ordered by a national enactment that a reduction of the monstrous evil of alcoholism became possible and its ultimate extermination probable. The separate states could not deal intelligently with the engineering problem of irrigation from streams that flowed through several states, or along their borders. The immigration problem could not be dealt with in any satisfactory way until the national government took control of it. The Weather Bureau must be supported by the national government. The late war taught emphatically that the state militias must be converted into National Guards, and in wartime brought under the control and direction of the national military authorities. These vivid lessons have taught many Americans that the historical objection to national action requires modification to meet the new conditions of the Federal Union.

The proposals made by the present Administration with regard to subsidies are not only in the highest degree inexpedient with reference to national economics, but tend to postpone the recovery of the American people from their moral collapse in respect to international affairs. The American people and government went wisely into ship-building in hot haste, without regard to cost, the moment they declared war on Germany in 1917, and showed much wisdom as well as energy in the prosecution of that work. They saw that with the developing power of the German submarine more vessels were indispensable means of prosecuting the war. It was a martial zeal which impelled them to this extravagant expenditure; and many Americans were severely disappointed when the armistice came before the real fruits of the heavy expenditures of our government on shipping had been exhibited on sea and land.

But what has happened in respect to expenditures on shipping during the five years since the armistice was signed? We kept on spending many hundred millions of dollars a year on a navy and an American commercial marine for which we had no use, and which cannot be manned by Americans. The sailor's life has ceased to have attraction for intelligent young Americans. They wisely prefer employments on land that are comparatively free from the hardships and exposures the common sailor and stoker must endure, and do not involve prolonged absences from home and friends. So the American fleets, naval or commercial, can-

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not be manned by Americans or be made profitable to private owners, unless by the payment of large subsidies unjustly extorted from the mass of the taxpayers. Hence, legislative attempts to give American bottoms advantages over foreign bottoms in both exporting and importing goods, a policy which would be sure to breed international bitterness and strife, and to feed American selfishness rather than American disinterestedness. Every American policy now should be generous as well as just.

What then should American patriots advocate and hope for in respect to American participation in international action to restore stable government to the countries of Europe, old or new, repair the losses in population, public health, means of transportation, and agricultural and manufacturing productiveness, and to efface as fast as possible the distrusts and hatreds which the war engendered? Our government should enter heartily into the existing League of Nations, take a sympathetic share in every discussion broached in the League, and be ready to take more than its share in all the responsibilities which unanimous action of the nations constituting the League might impose. America should cease to keep out of the Paris Covenant, "the greatest step in recorded history in the betterment of international relations," as ex-President Taft said of it in March, 1919, and give over completely every fear of being called upon to fight, no matter where, in support of the decisions of the League. That fear is now and always has been absolutely unworthy of the American people, false to its history, and even falser to its hopes.

The next American contribution to civilization should be full participation in the safe conduct of those world affairs through which the enlightened common interests of mankind are served, first, by joining heartily the League of Nations for the immediate salvation of Europe and the Near East, and then by advocating steadily for all the world Federalism, elastic and progressive Law, cooperative management and discipline in machinery industries, the emancipation of children from fear, harsh domination, and premature labor, the furtherance of preventive medicine and public health, and the opening for everybody of the delightful and sustaining vision of freedom, aspiration, and hope.

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THE LITTLE ENTENTE

By Eduard Beneš

THE new states which in Central Europe have taken the place of the Hapsburg monarchy owe their creation to the living will of the peoples who for centuries had been oppressed in Austro-Hungary, and who had in vain endeavored to secure within that state the necessary conditions for a free and full development of their economic and cultural life. The revolutionary activities of these peoples—whether of a military or diplomatic character, whether undertaken abroad, side by side with the Allies, or at home—were the clear expression of this will, which could only be acted upon successfully because the European War created the pre-conditions for a new adjustment of Europe and because the substitution of new independent states for the Austro-Hungarian monarchy was not only an act of historic justice but at the same time in the interests of Europe generally. The Danubian monarchy was the aider, abettor and tool of Hohenzollern imperialism. It was, moreover, by its very constitution, the outward expression of a German-Magyar system of violence and the living negation of those ideals which brought half Europe and America into the conflict. Its removal became a manifest necessity as an insurance against future dangers and in order to secure the triumph of the principles for which the war was fought.

The changes which have thus been made in Central Europe are, of course, greater than any which have taken place in other parts of the continent. An entire great state has been obliterated from the map of Europe, an ancient and mighty dynasty deprived of its power and dominion; frontiers of new states have been delimited, and with their creation there have been severed political ties and, above all, economic ties of no mean importance.

It is not surprising that there are people who regard with scepticism the capacity of the new states for independent existence and who have doubts regarding their future destiny. The question arises whether Europe has gained by this new adjustment of conditions at her very center. Has the dissolution of a great economic entity, with a vast network of arteries and communications, and its severance into various fractions isolated from each other by customs barriers, contributed to European

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development? Has not the creation of new independent states sown in the very lap of Europe the seeds of fresh political conflicts, arising on the one hand from a desire to avenge the revolution in Austria and Hungary, and on the other hand from the impossibility of drawing exact ethnographical frontiers and from the fact that more or less considerable racial minorities had to be left in all the states concerned?

It is for the policy of the new Central European states to supply the answer to these questions and to demonstrate the capacity of the new constellation for existence.

Czechoslovakia and her leaders have been from the very outset conscious of the fact that it would be their task to convert into *positive, creative effort* that splendid determination for independent existence displayed so successfully by the whole nation in its work for the revolution; that they would have to consolidate the state within and secure it against dangers from without; that on the basis of the peace treaties they would have to arrive at just relations with all their neighbors and contribute, to the best of their powers and abilities, to the pacification and consolidation of a Europe unsettled by long years of warfare.

Such were, from the outset, the positive, fundamental principles determining the direction and the methods of Czechoslovakia's foreign policy. There were not lacking, of course, some moments of a negative character, brought on by the danger arising from a reaction against the peace treaties, from the economic difficulties prevailing throughout Central Europe and from the general political and economic chaos which succeeded the war.

All these dangers, and also the positive political aims above outlined, were common to all the nations which had been liberated from the Hapsburg yoke. Nothing was more natural than that there should come cooperation in the field of practical politics. The work of bringing about the dissolution of the Hapsburg monarchy had already been carried on with a certain degree of contact and mutual understanding. The memorable Congress of the Oppressed Nations of Austria-Hungary, held at Rome in the spring of 1918, is one of the striking proofs of this fact. At the Peace Conference, too, the liberated nations acted in unison, maintaining a common front against their enemies and pursuing a common fundamental aim.

The first stage of this common policy took a concrete form in the agreement concluded between Czechoslovakia and Jugo-

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slavia on the 14th of September, 1920, which is in substance a *defensive convention* against the Hungarian menace. It is the product of long negotiations that had been carried on from the end of the year 1919.

Hungary had become the center of a reactionary monarchistic movement which, with the restoration of the Hapsburgs as its motto, aimed at overthrowing the new order of things in Central Europe and threatened the security of the young succession states —and with it, of course, the security of Europe as a whole. The aristocratic and military elements, together with the reactionary middle class, saw in the recall of the Hapsburg dynasty to the Hungarian throne a means of evading the consequences of the defeat they had suffered and the obligations arising from the treaties of peace. Their designs for a restoration were bound up with the hope for a renewal of the "integrity of the Kingdom of Hungary"—that is, the return to them of Slovakia, Transylvania and the Banat.

The Hapsburg menace became acute as early as August, 1919, when Archduke Josef Hapsburg seized the reins of power. Czechoslovakia at once sent a very emphatic note to the Peace Conference on the dangers of a Hapsburg restoration for Central European peace. The sequel to this step was the note of the Supreme Council of August 21st, announcing the opposition of the Allied states to a Hapsburg government in Hungary. The Archduke's designs were thus checked. Hapsburg propaganda, however, continued to do its work under the cloak of legitimism and not even a fresh note sent by the Supreme Allied Council on February 10, 1920, was able to put an end to the plans which had been laid between Budapest and Hertenstein, the seat of ex-King Charles. The defensive Convention concluded between Czechoslovakia and Jugoslavia provided that these two states should mutually help each other in case of an unprovoked attack by Hungary. That convention, supplemented by the assurance on the part of Rumania, given on the occasion of the Bucharest negotiations between Take Jonescu and myself on September 19th, that Rumania acknowledged a similar obligation even though no formal treaty was as yet concluded (it was not signed till April 23, 1921), created a strong and permanent bulwark against the execution of the Hapsburg plans. It was against this bulwark that the attempts at a Hapsburg "putch" twice came to grief: the first time in April, 1921, and the second time in

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September of the same year. The alliance of the three succession states for the purpose of defence against attacks from Hungary thus successfully passed a practical test and proved itself a true guardian of the dearly-bought liberty of the nations that had been freed from the Austro-Hungarian yoke.

This defensive character of the alliance between these three states—generally termed the "Little Entente"—does not, of course, exhaust its entire political significance. In the negotiations leading up to the defensive agreement it was clear that a common policy against Hungary must be merely part of a broader political conception. It was a question, *in concreto*, of establishing a Central European group which, while carrying out the work of its own consolidation, should aid the general task of reconstruction.

The task was conceived in a very real and practical sense and in the clear consciousness that it could not be accomplished at a stroke, but only step by step. The evolution of the Little Entente itself is a proof of this fact. In its first stage it was composed of Czechoslovakia and Jugoslavia alone and its aims were summed up in the defensive treaty against Hungary. Rumania was joined up with these two only by means of negotiations which took place among the statesmen of the three countries, and through a verbal acknowledgment that in the event of a fight against Magyar aggression there would be a strong community of interest. It was not until April 23, 1921, that a treaty was concluded between the three. The narrow, formal contents of the accord between the three Central European states was supplemented by an ever-growing political harmony in all that concerned the fundamental problems of Central Europe. Not only did there exist an identity of opinion as regards relations with Hungary—all three states desired to be on the very best terms with Hungary—but there was a general accord on the Central European problem as a whole, especially as regards the effort to restore the Hapsburg monarchy under the cloak of a "Danubian Federation." And, what was most important of all, there was absolute unanimity as to the aims and methods of a common policy—a unanimity which bestowed on the Little Entente its European significance and enabled it to fulfil its general political mission.

To the second stage of the evolution of the Little Entente belongs the adjustment of its relations and the relations of its

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constituent members with neighboring states, and the drawing in of several of those neighbors to the inner circle.

In this connection mention should be first made of the agreement arrived at between Italy and Jugoslavia in the Treaty of Rapallo. This really signified the gaining over of Italy to the Little Entente's policy of common defense against attempts at Hapsburg restoration—an agreement supplemented, after negotiations conducted by Count Sforza and myself in Rome at the beginning of February, 1921, by an understanding between Czechoslovakia and Italy.

A no less significant extension of the political circle of the Little Entente was the treaty concluded by Minister Skirmunt and myself at Prague on November 6, 1921, on behalf of Poland and Czechoslovakia respectively. That treaty definitively put an end to the unsettled relations existing between the two states as a result of the diplomatic controversies in respect to Teschen, and laid the foundations for peaceful neighborly existence and collaboration. Under the treaty the two states mutually recognized each other's territories as defined in the peace treaties and undertook, whenever necessary, to agree upon a common application of the terms of those treaties. They undertook mutually to observe neutrality and to settle disputes by arbitration.

The policy of friendly co-existence on the basis of a recognition of the peace treaties, neutrality in case of a conflict with third parties, and the settlement of disputes by arbitration made up, also, the substance of the treaty concluded with Austria on December 16th at Lany. This treaty did not make Austria a member of the Little Entente, but it signified an accord between the policy of Austria and that of the Little Entente.

There can be no doubt about the political meaning of the cooperation with the Little Entente of these three states. Central Europe ceases to be a scene of political chaos and is growing into a firm structure consolidated along the lines laid down by the peace treaties—a structure whose central point is the alliance formed by Czechoslovakia, Jugoslavia and Rumania.

It is true that there is one gap in the structure. Hungary still stands outside. She has excluded herself by virtue of her policy, directed as it is against the security of her neighbors. There is little doubt that this isolation cannot be permanent, and that Hungary too will one day take the place in this Central European peace block which is hers both politically and economically.

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In her policy Czechoslovakia has already, more than once, displayed her good will in the direction of collaboration even with Hungary. She commenced economic negotiations with that country in March, 1921, and reopened them for a second time in June of the same year, but the attempts at a "putch" made by the Magyar Legitimists defeated these manifestations of goodwill. It depends on the future policy of Hungary, on her loyalty to the obligations she has undertaken, and on her attitude toward her neighbors, as to when it will be possible to fill up this gap in the Central European system of states.

The significance of the Little Entente for peace and consolidation would not, of course, have been fully grasped if that group had confined itself solely to its political programme and had not demonstrated its no less important economic aspect. The consultations which preceded and which accompanied the negotiations for political agreement among the states of the Little Entente and the states associated with them, contributed substantially to facilitating and accelerating agreement on economic matters as well. They went hand in hand with them, supplemented, extended and indeed practically evoked them.

Central Europe, which previous to the war formed an economic entity, naturally suffered economically on being split up into a series of states. The connection of this dissolution with the unfortunate post-war economic plight of the Central European states is, however, frequently exaggerated. No single economic territory was immune from the effects of the universal economic crisis. The economic programme embraced in the policy pursued by the Little Entente states took cognizance equally of both the universal and the special, or local, causes of the crisis. Their policy was directed towards eradicating those causes by means of economic agreements, collaboration and mutual help.

Following out this policy the states of Central Europe were able to abandon the primitive "compensation" or barter agreements for the direct exchange of commodities, and to proceed to a system of economic and trade conventions linking up all the states—a system which is continually being supplemented and extended. Czechoslovakia, in particular, as early as September 18, 1920, substituted for a previously existing "compensation" agreement with Jugoslavia a regular commercial treaty, and similar treaties followed with Rumania on April 23, 1921, with Italy on March 23rd, with Austria on May 4th and with Poland

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on September 20th of the same year. The more general economic problems common to all the Central European states and issuing from a common past were solved with undeniable success at the economic conferences which took place at Rome (April 6th to June 15th) and at Porto Rosa (October 29th to November 25th). This policy of sympathetic economic cooperation also contributed substantially to prevent the economic crisis in Central Europe from attaining catastrophal dimensions, and to produce a gradual but none the less unmistakable consolidation. Austria alone continues to suffer under grievous difficulties, the alleviation of which does not lie within the powers of her Central European neighbors alone. They have, nevertheless, done their best to relieve her situation by economic cooperation and by direct help, such as the loan of five hundred million crowns advanced to her by Czechoslovakia.

The evolution of the Little Entente is manifestly not yet completed. Its third stage will doubtless consist of a deepening and extending of the foundations upon which it has grown up and a further strengthening of all the ties and connections already formed. The practical tests which it has successfully stood—for instance recently at Genoa—are adequate proof of its significance and confirm the correctness of its methods.

To speak today of a "Balkanized" Central Europe is mere distortion of facts. Central Europe has ceased to be a scene of disorder and confusion; organization has taken the place of chaos, and a new system of states has arisen whose mission it is to preserve the results of the revolution of 1918 for the peoples of the old Austro-Hungarian monarchy, to renew and to strengthen law and order on the basis of the peace treaties, and to contribute generally to the work of European pacification and consolidation. To the Little Entente is due the merit of having created this system; it is its center and driving force.

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RECONSTRUCTION IN THE DANUBE COUNTRIES

By Josef Redlich

ANYONE attempting to pronounce on the present international relations of the states and peoples of Europe will have first of all to answer one question: how have things developed in the last four years in that part of the European continent where, as the consequence of the war and the peace treaties, political and constitutional connections, many of them centuries old, have been abolished and replaced by entirely new and independent organizations? This is particularly the case in respect to the great territories of the former empire of the Tsar of all the Russias, which no longer exists as such. The same must be said of the dominions of the Ottoman Sultan. And, thirdly, it is true of that whole great mass of countries and peoples which formerly were the domain of the Austro-Hungarian monarchy.

The political and economic effects produced by the World War, and later formally made permanent by the peace treaties, have been deeply felt throughout the five continents; but certainly these effects have nowhere penetrated as deeply into the whole fabric of national life as in the former Tsarist empire and in those parts of Central Europe and of the Near East where a historical period of many centuries has found its end.

To describe these effects in Russia or Austria-Hungary would be a vast undertaking of which only a very small part can be attempted in the following survey, and this in a necessarily general and cursory way. What I especially wish to point out is how profoundly all the provinces and peoples of former Austria-Hungary have been influenced by the destruction of that ancient empire.

I will take as a starting point an idea which had ripened among the western belligerent nations about 1917, the idea of a so-called "integral peace" which should make possible a total and thorough reorganization of Central and Southeastern Europe, following the destruction of the Dual Monarchy. The "integral peace," which in the case of Russia was much less the outcome of the peace treaties than of revolutionary dissolution, has become a phenomenon of political dismemberment. This is notably true in the case of the former Austro-Hungarian empire.

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When I speak of the destructive character of the peace work, I mean to emphasize its dissolution of many old political creations on which had rested the life and prosperity of long generations of the nations concerned. It has dissolved old local, economic and political associations into their elements, and has elevated these last into independent units. And this process of dissolution and dismemberment was mainly accomplished by the peace treaties. They took as the foundation for their work the great principle of national—or rather racial—self-determination, which they also found useful as a basis in forming into larger units certain new associations of these different national entities.

The whole method by which the principle of self-determination was put into effect in the peace treaties—though in individual cases the opposite principle has been made part of the new organic law of Europe—represents, as it were, a sort of framework on which one may hang the political ideas which have been dominant since the collapse of the central states and the internal destruction of Russia by the Bolshevik revolution. It is first necessary for anyone wishing to judge fairly of the importance of the results of the war and the peace treaties, to make up his mind how far these results possess the character of a creative act in the highest sense of the word—of an act by which the future prosperous development of Europe, both in regard to culture and lasting peace, has been guaranteed or at least made probable. For the destruction of such important political units as the ancient empires of Russia and Austria-Hungary (leaving Turkey out of account) cannot possibly be considered progress in itself. The bare fact of the dissolution of great empires offers no particular grounds for a strong hope of lasting peace in the world or for a general improvement in human civilization.

It would doubtless be a mistake, from the point of view of the biologist as well as from that of the statesman, to assume the right of all greater organic bodies to exist as opposed to the right of smaller ones, or to a group of the latter. For nature does not act like this. Nature quietly destroys those organic bodies which from our point of view are the very highest organisms, namely individual human bodies, which become the victims of the smallest organisms, as for example bacilli. But while this goes on continually, it is only as part of the universal process of organic life by which the highest organisms, namely human bodies, are also continually reproduced. We shall therefore be inclined to

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consider those fundamental creative forms of the political life of nations, which always produce new, larger, nay sometimes formidable, political organisms; and further we shall be disposed to recognize that the working of this integrating force of national life in the world represents one of the great forces for human progress because it means an increased cooperation between different races or nations, and as such it means, in turn, a strong stimulus to the development of mankind. We can say equally that political, military and economic forces which possess only a tendency to disintegration cannot be considered *a priori* as contributing to progress from the point of view of the development of universal culture. They certainly cannot be so considered unless the circumstances which brought about the destruction of earlier political associations point the way to a new epoch of consolidation of nations into greater and more hopeful organic units, except in cases where the destroyed political entities have been such that their mere destruction must in itself be recognized as marking progress for humanity.

In the case of the former empire of Russia—where a despotic government, apparently unable to reform itself but representing one single nation and one religious denomination, both personified in the Tsar, oppressed in the name of the helpless mass of the Russian nation millions of other nationality—the question suggested above would probably be answered in the affirmative. Nevertheless, even here it might be asked whether the complete dissolution could not have been brought about in a more productive way. Might it not have been better, even for the so-called "liberated peoples" themselves, if dissolution had not come about as the exclusive result of the theory of self-determination, without regard for the old economic facts, which, like the militarist and political tendencies of the conquering Tsars, had played such a part in the creation of the vast Russian world? But this question need only be formulated here, not analyzed or answered.

My task is limited to Austria-Hungary. The question is: should the complete destruction of the association of nations called the Dual Monarchy, governed by the House of Hapsburg—a destruction permanently ratified by the peace treaties—be considered as an act unavoidable in itself and favorable to the interests of European progress as a whole?

Or would it not have been advisable, before dissolving all bonds which had held together these nations for so long a time, to pay

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some attention to the historical forces of a political and economic nature which had created the ancient monarchy and had maintained it through four hundred years? For these forces must be taken into account as well as the family policy of the dynasty which directed them.

And, finally, are there not now already, four years after the downfall of the monarchy, visible indications that it would have been a task worthy of great statesmen to have met the dissolution of the monarchy by a careful and far-seeing policy, one tending to create at least a new economic alliance of the sovereign, independent states formed by the peace treaty?

The first of the above questions was raised in the beginning of the war primarily by those statesmen of the Entente who from the first day had in view the destruction of Austria-Hungary as an empire because it appeared the strongest support of Germany's hegemony in Central Europe. Later on, the great personality of Thomas G. Masaryk and his ideas and advice became of the utmost importance in those small but very influential circles of English and French politicians who before the war had already been familiar with the problems of the internal life of the Austro-Hungarian monarchy and who had supported leaders of the Slavic parties in Austria and of the Rumanian and Jugoslav parties in Hungary.

As the war was nearing its end, the Austro-Hungarian problem, according to these men and to the practically unanimous public opinion of the western nations, was to receive a solution based largely on the authority of Masaryk, who in a masterly memoir written and confidentially printed in the year 1918, entitled "The New Europe—the Slav Standpoint," laid down the essentials of the whole problem and his own propositions as to the right way to deal with it. This memoir, containing the arguments on which Masaryk built up his propositions and elaborating at the same time a systematic political philosophy which foreshadowed the New Europe to be created by the expected peace, will remain one of the most important documents for any future historian trying to understand the inner intellectual forces which partly caused the war and partly determined its special character. A study of this historical document will furnish the best explanation of the nature of the final solutions of the problems of the peace and especially of those which tried to reconstruct Central and Eastern Europe.

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Masaryk, and his friends in Paris and Rome and London, gave a flatly negative answer to the question whether henceforward any existence of an Austro-Hungarian empire was possible. Indeed, the dissolution of the empire kept step with the final events of the war. At the end of October, 1918, Count Stephen Tizsa himself, in the last speech which he delivered in the Hungarian Parliament, proclaimed the final and complete independence of Hungary, severing every bond which since 1867 had united it with Austria. The dissolution of Austria, or "Cisleithania," had begun, as far as Galicia was concerned, when in the midst of the war the governments of the Central Powers had taken under consideration the creation of a new, reconstructed kingdom of Poland, to be united either with Germany or with the Hapsburg monarchy. Moreover, in the famous manifesto of October 13, 1918, in which Emperor Charles called upon all the nations of Austria to organize themselves in their provinces on the basis of national or racial self-determination, the approaching dissolution was, so to speak, legalized, even though the last emperor still maintained the principle of the indissoluble union of the nations now to be organized on the new basis. Looked at from this point of view, what the Czechs, the Croats, the Slovenes and the Italians did in the following weeks in proclaiming their political independence and sovereignty and refusing to be united with what remained of the old Austrian state, was nothing more than to repudiate the last imperial reservation of a common bond between them.

It is easy to comprehend why Czechs and Jugoslavs, whose legions had fought bitterly in so many parts of the world against their own emperor, should not at the moment of the downfall of his empire have contemplated any future community with the Austrian Germans and the Magyars. But it is permissible to ask whether the western statesmen, who now saw before them the great task of creating a better and more peaceful Europe, should not have realized the far-reaching consequences which the complete and final dismemberment of the old unit of Austria-Hungary needs must have for all the nations comprised in it.

In this connection it is of the highest interest to note what Thomas G. Masaryk, the spiritual leader of practically all the Slav movements against Austria-Hungary, and himself the father and founder of the new independent state of the Czechs and Slovaks, thought at this time about the necessary groundwork

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for a new and peaceful society of European nations. In his memoir the great thinker and statesman had carefully drawn the outline of the new world of states formed on the basis of racial units. But while Masaryk claimed for the new independent Czechoslovakia the maintenance of the frontiers of the ancient kingdom of Bohemia and Moravia and Silesia (the last named insofar as it had been in Austria), thereby denying the right of national self-determination to the compact millions of Germans inhabitating large portions of these provinces, he expressly reserved to the Germans of Austria proper—that is, of the seven Austrian provinces and of its capital, Vienna—their right to join Germany, to which they had always belonged in one form or another until 1866. Unhappily, this view of the problem did not prevail with the Peace Conference in Paris. The Allied statesmen preferred to increase the number of small sovereign states of Europe by creating a republic of Austria, wedged in between Czechoslovakia, Italy, Hungary and Jugoslavia, and at the same time they vetoed solemnly in the peace treaties the reunion of this, almost the oldest of the constituent parts of the German race, with Germany itself. By such action a chance to make a step forward in the direction of the racial consolidation of Europe in the political sense was deliberately sacrificed. The victorious powers, headed by France, were afraid of any increase in the territory and manpower of the future Germany, and that after having severed millions of Germans from their racial majorities. Only in regard to the three hundred thousand Germans of Western Hungary was the Peace Conference disposed to apply the principle of racial self-determination in favor of the political concentration of the German race, by uniting them with the new republic of Austria.

But apart from the separate territorial measures prescribed by the peace treaties, it is one of their outstanding features that they utterly failed to do any constructive work of a higher kind—that is, that they abandoned once for all the idea of replacing the large free-trade area of pre-war Austria-Hungary by some other kind of confederation or permanent economic association between the new political units. Of course, the political leaders of the Czechs, Poles, Hungarians, Jugoslavs and Rumanians were from the outset fiercely opposed to the smallest hint of such an association or federation, for they saw in any suggestion of that kind an attempt to reconstruct the old monarchy which they had helped

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to destroy. Their opposition was sufficient to prevent any serious consideration of such a plan by the statesmen and public opinion of the western powers, and no opportunity has ever been given for an open discussion of the advantages of a more far-seeing, constructive policy in respect to the Near East, looking at the problem from the point of view of general European economic interests.

The principle of non-interference in the internal affairs of other states, that "antiquated and insincere diplomatic rule," as Masaryk says in his memoir, has been rigorously applied by France, Great Britain, the United States and Italy toward the new states, which could never have been born without their help and assent. Indeed, this part of the reconstruction of Europe has become in a certain sense the work of "old-fashioned diplomacy." On the other hand, any of the leading western statesmen might easily have grasped that the mere dissolution of a big, strong—though in many parts antiquated and vicious—body such as was old Austria-Hungary, would not be a constructive achievement of European statecraft. Here were fifty million people, differing in race and language but during four hundred years united politically under a dynastic central government, which since the beginning of modern economic life, in fact since the second half of the eighteenth century, had step by step been transformed into a cumbrous but, for its time, very efficient administrative machine, accompanied since the middle of the nineteenth century by a complex system of parliamentary representation and local self-government. In this way there had been created a broad area of internal free-trade, peace and order, protected in its economic life by a common tariff. In the case of the Austrian half of the area thirty million people had lived for centuries under the same civil, penal, and commercial codes of law and the same laws of taxation, and had enjoyed the same groundwork of educational institutions; there, in spite of the modern racial struggles for supremacy between Czechs and Germans, Slovenes and Germans, Croats and Italians, Germans and Italians, a vigorous and flourishing economic and cultural life had been built up in common. In spite of the parliamentary and political fights carried on since 1848 against the hegemony of the German element and against its language as the idiom of the central government, the languages of all non-German races—their journalism, science and literature—were continually being used

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and continually gaining ascendency. Notwithstanding the manifold bitter animosities between the different nationalities, which increased after the Austrian-Germans had come (in 1890) under the influence of that sort of German nationalism which became ripe in the Germany of William II, there were thousands of common habits, interests and ways of life, also thousands of cases of international or inter-racial family ties, which had impressed on Austrian society a character of its own and knitted all these nations together. The increasing volume and intensity of modern industrial work, the growth of a technically well developed manufacturing industry in most parts of the Bohemian provinces as well as in German-Austria and on the seacoast, the creation of a well devised system of railways, demonstrated to all the nationalities the incomparable importance for them of being parts of a wide economic area and of being privileged partners in the huge inner market represented by the empire. The economic and fiscal union of Austria with Hungary no doubt was maintained against the will and incessant opposition of a small but influential part of the ruling classes of the Magyars; nevertheless it was maintained, and it gave to the industry and trade of Austria as well as to Hungarian agriculture the best chances of prosperity and economic balance.

It might seem useless to speak now of what has gone—gone, it appears, forever—and of what should have been thought about and done in bygone days. But still it seems worth-while to survey from this point of view the actual development of the new successor states and to examine how far the first years of their sovereign existence has justified, from the standpoint of universal European welfare and progress, the great hopes entertained for them in Western Europe at the time of the peace treaties.

I do not think it is necessary to enlarge here on the question of whether the change of 1918–19 has benefited the new sovereign republic of Austria. Everybody in the world now knows that the creation of this isolated, helpless commonwealth has not only precipitated the political and economic ruin of its 6,600,000 inhabitants, but that it has also inflicted deep injury on the general political and economic interests of Europe. The problem of the existence of little Austria, and in particular of Vienna, is everywhere recognized as the unavoidable consequence of a policy which, based exclusively on a fear of Pan-Germanism, was not able to foresee the impossibility of the existence of a state

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deprived suddenly of all the old relations and resources which had made it the center of a great economic and trading community of fifty millions. New republican Austria, starved and almost decomposed socially and economically during the last stages of the war, is left to herself to become an object of charity for foreign nations like America. Its industry, deprived of raw material and fuel, has lost its markets, and at the same time more than fifty per cent of the necessary foodstuffs have had to be imported and paid for in a currency which has unavoidably sunk from month to month until it is at present a mere cipher.

Undoubtedly Czechoslovakia has been from the beginning, and still is, the strongest and most promising of the new states of Central Europe and the Near East, but in spite of an admirably planned and strictly enforced financial policy, which has restored to a considerable extent the value of the currency, the political difficulties arising in Czechoslovakia from the fact that the political "nation" is made up of five nationalities have been much less acute than the economic ones. Czechoslovakia possesses from of old a very efficient mining and manufacturing industry, having, indeed, been the industrial focus of the Austrian empire. But soon after the armistice she found herself in a prolonged and intense crisis of industrial production, being hindered from competing successfully in foreign markets by the steady rise in the value of her money, while at the same time a strong Socialist current of opinion raised the cost of production by short hours of labor and high wages and so led to the same result. In consequence, the country, although inhabited by two equally industrious, sober and highly gifted races, the Czechs and the Germans, is suffering from the unemployment of large numbers of its workmen, so that the full industrial and commercial activity of the whole community is impaired.

Jugoslavia, a union of purely agricultural countries without modern industry, without even a sufficient class of skilled artisans, has not from the beginning of its new political life possessed enough capital to develop modern manufacturing industries, and by closing its frontiers to the commerce of its neighbors, whom it regarded as enemies, it has seen its currency sink in value from year to year. It has also gone on the utterly wrong road of rigid centralization in favor of the pure Serbian element, thereby discontenting the Croatian and Slovenian elements who had hoped for a federative state. Its special need

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seems to be a rapid increase of economic activity in order to produce an amalgamation of the different components of the Jugoslav race, separated from each other through centuries by religion and political frontiers.

Hungary, deprived of all her industrial centers except that of Budapest, stripped of her mines, forests and coal pits, separated from her neighbors by the bitterest kind of hostility and by the feeling that at least two million Magyars have been put under the rule of other races which they have always considered as less highly civilized—Hungary, witnessing the destruction of all she had possessed of international sea-borne trade, is not able to recover and to disarm either morally or materially and thus forms a block in the way of all endeavors for reconciliation in Eastern Europe.

It would transgress the limits of this article to enter into the details of the economic situation of Rumania. As a general statement one can say it is far from satisfactory.

The states dealt with above have initiated and continued an egotistical economic policy; that is, they have done everything in their power to hinder international trade and traffic. They have developed a more or less new system of narrow-minded mercantilism so that they see in the possible profit of the foreigner the certain loss of their own. Czechoslovakia alone has shown in the last two years a better understanding of her Austrian neighbor's economic situation and therefore has not hesitated to mitigate her own protective system and to support Austria in her financial plight by special loans.

Wherever he looks in Central or Eastern Europe no unbiassed observer can fail to recognize the tremendous damage inflicted upon all these nations and upon Europe at large by a policy founded on the bare fact of the destruction of an old and well-tried economic unit without anyone attempting to take into account the interest which each had in maintaining a friendly association with the others.

If now the question is raised whether public opinion in these countries has become ripe enough to take up a policy of solid reconciliation and of mutual help, it is very difficult to give a comprehensive and definite answer. No doubt in Prague and Vienna, in Budapest and in Zagreb, many well understand that the economical life of their new state is far from satisfactory or promising, and many also understand that a stable system of

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mutual free trade would benefit all alike. Unmistakable symptoms in the last four years have shown that responsible statesmen in all the successor states appreciate more and more the great injury which has been done to their chances of prosperity by a nationalist, economic and fiscal policy which hampers international trade and hinders traffic with their neighbors. But in the political parties of all the nations concerned nationalist sentiment, roused to its climax by the war and the bitter animosities against German-Austria and Magyar-Hungary and reciprocated in like fashion, still prevail over the requirements of sound financial, economic and general international policy. The aversion of all of them and of their leaders to anything like a "Danubian Federation" is as strong as it was at the time of the peace treaties. On the other hand, it is a fact of importance to be noted here that the statesman of Central Europe who has shown himself beyond question the ablest of the leaders of foreign policy of the new European states, Mr. Benes, at present Prime Minister and Minister of Foreign Affairs of Czechoslovakia, has indefatigably pursued a truly constructive policy which strives to strengthen the feeling for cooperation and for mutual friendship between the nations and governments of Czechoslovakia, Austria and Jugoslavia, and equally of reconciliation with Poland and Hungary. His policy acknowledges the necessity of a European policy for all the smaller nations as well as for the great powers, and really tries to draw the necessary conclusions.

Dr. Benes's persistent efforts in this sense are doubtless one of the most conspicuous and important factors in the present political situation of Central and Eastern Europe. He and his old master and friend, President Masaryk, embody indeed the new spirit which expresses itself best in the recognition of the indissoluble community of interest of all its parts and in the endeavor to secure their prosperity and progress. To be sure, the fact that the relations between Czechs and Germans are still far from satisfactory acts as a brake in the whole complex of Dr. Benes's constructive policy of restoration. But without being too optimistic one can find even in this respect symptoms which encourage hope for a better future. Of course the upshot of this question, like that of many others, is bound up with the fate of the German Republic as a prosperous achievement of German democracy and socialism.

It seems to me, too, that from the point of view which has been

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here set forth there is one clear task before the great powers by whose cooperation the new organization of Europe has been effected. It seems to me that any effort which seriously hopes to bring about a rapprochement between the nations whose affairs we have been discussing should, when the opportune time has come, have the active support of—nay, should be initiated by—the great powers, and primarily by America when her people and government are ready to turn again to European affairs. The United States of America is an absolutely unselfish element in European politics. Respected by all, loved by many of those smaller nations of Central Europe and the Near East, it could become the best, the irresistible adviser in favor of a large-minded, creative policy of reintegration, because America also represents the possibility of liberal material aid and support in the work of economic and financial reconstruction of Europe. Meanwhile, it has been true that American diplomats, thanks to their insight into the present situation of these nations, have done the most among the representatives of the great powers to strengthen the movement toward a policy of mutual economic support and particularly of free trade between them. Indeed, the conference of Porto Rosa was mainly the outcome of American diplomatic influence; and it is not the American representatives who are responsible for the fact that the excellent agreements concluded there still lack ratification by most of the states to be benefited.

Looking back once more to my opening remarks on the evils resulting from the disintegrating effects of the war and of the peace treaties, I wish to point out that any future amelioration must take the form of a serious attempt once more to attain for the national units concerned the great economic and financial benefits which the old Dual Monarchy unquestionably offered them. At present nobody can tell whether it may later appear possible to create a real federation of these states. But two things seem to me to be certain. First, that an economic association which shall not tamper in the least with the political sovereignty or the racial arrangements embodied in the constitutions of all these states should be recognized as an equal necessity for them all. Second, that the creation of anything like a United States of Central Europe in an economic sense is impossible until a complete intellectual, moral and sentimental disarmament has taken place among them as well as throughout the German nation.

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Finally, in each of the states about which I have been speaking, a real reconciliation in a political sense and a mutual rapprochement with regard to trade, free traffic and finance, must be accompanied by a large-minded acceptance of the principle of full respect for racial minorities, developing into a full equality for all races and conducive to a lasting internal, national peace. Anything that could be done by the public opinion and by the government of the United States to support the tendencies of the kind which I have here tried to describe would be in many respects the best service the American people could render to all Central and Eastern Europe.

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IRELAND: RESURGENT AND INSURGENT

By Ernest Boyd

SINCE Ireland has become a Free State it has abandoned none of the paradoxical privileges which has made of it the land where the inevitable never happens and the improbable always occurs. Indeed, only an Irishman familiar with the intimate and subtle details of Irish social and political life can fully realize to what degree the new Ireland born of the Treaty has exercised her right to do the unexpected. The mere outsider of hostile or sceptical intent may malevolently or innocently imagine that the theory has now been amply proved, that the Irish are incapable of self-government, and they cannot agree amongst themselves. Those who are not deceived by the appearance of things, however pessimistic they may feel as to the outcome of the present situation in Ireland, are at least deprived of the illusion that the prevailing Irish anarchy is a proof of any preconceived doctrine of original sin in the Irish people. Free State Ireland is at once so strange and so familiar a spectacle to the eye of the initiated onlooker that it presents none of the phenomena which naturally arouse the interest and the apprehension of foreigners.

The fundamental reason for this difference of impression lies, of course, in the fact that nobody but an Irishman could be expected to understand how slightly the Irish problem has been changed by the particular solution at which the Peace Treaty arrived. The outside world, which has heard so much and so long about the "Irish Question," but has never grasped more than the rudiments of the issue between England and Ireland, very naturally supposed that, with the ratification of the terms of settlement, the problem had ceased to exist. By the terms of the Treaty Ireland had been granted a degree of autonomy so wide that the substance of real independence was hers, and only the shadow of a separate republic was denied. The settlement was accepted after negotiation by both parties, and nothing seemed left but to await the dawn of a new day. The British authorities evacuated their strongholds, withdrew their troops, and handed over the country to the Irish people who had demanded nothing better for seven hundred years. It was an historic moment, and everybody with a sigh of relief sat back to await results. At last

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the "Irish Question" had been solved, and M. Lloyd George became once more the target of that peculiar admiration which invariably seems to attach to his statesmanship, that combination of bewildered incredulty and uneasy respect.

One of the great charms of the Irish situation has always been its capacity for supplying facts apparently calculated to fit into any theory concerning it. It was axiomatic in certain circles that, once an Irish government came to power, the lives and liberties of the minority would be jeopardized. And so, in due course, it happened, but not in southern Ireland (where the rebels came from), but in northeast Ulster where loyal Protestantism is the supreme virtue. Under the auspices of the northern government a wholesale movement against the Catholic minority took place, homes were burned, families murdered, and refugees driven across the frontiers to find shelter in the south. In southern Ireland, on the other hand, it was not the rights of the minority that were threatened, but those of the majority. And in a short space of time the whole area of the 26 southern counties of Ireland was plunged into a civil war, not between Protestant loyalists and Catholic Nationalists, as had been so confidently predicted, but between the great majority of the population and small bands of armed "idealists." These gladiators, moreover, who looted and burned and robbed in accordance with all the worst precedents of the darkest period of the Black and Tan period, carried on their campaign on behalf of a myth, for they could not even claim to be fighting for an Irish Republic. Their leader, Mr. de Valera, in fact, had specifically abandoned that claim in a metaphysical document—known as Document Number Two—which purported to be a formula for accepting the Free State without admitting the interesting fact in so many words.

Meanwhile Sinn Fein Ireland was trying under exceptional difficulties to prove her good-will by taking over the administration of the country with as little friction as possible. Government departments associated from time immemorial with an alien bureaucracy continued to function at the hands of an imperturbable staff of permanent officials who, with surprising docility, acquired for official use a copy of the standard Irish-English dictionary, altered their letter heads to a strange modernization of the ancient tongue of the Gael, and substituted Irish phrases for the time-honored formulae of British official correspondence. Two learned bodies were called into existence

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to translate the decrees of the new government into Irish, khaki was displaced by olive green worn by the national troops on sentry duty and in other services of the Free State, the red mail boxes, once the symbol and sign of the Sassenach, turned a soft refreshing green, and bore the superscription "An Post." Those who remembered the time, but a few months ago, when such heresies were the price of martyrdom duly marvelled at the signs and wonders which were vouchsafed to the citizens of the Irish Free State. Here, at least, was a bloodless revolution, and life promised to move on with its old simplicity. Even the vocabulary of the newspapers, by a happy dispensation of providence, required no serious revision. The conservatives, who in the old days called upon London for "strong government" continued to demand that panacea, but their appeals were now addressed to the Irish Provisional Government, while the nationalist papers turned upon the insurgent minority the weapons which had served for generations to harry the servants of an alien dominion. Atavistic loyalists who had broken with all family traditions to throw themselves into the national movement could now revert, with an easy conscience, to the attitude of their forbears, for in denouncing the "irregulars" with the bitterness reserved by their fathers for all Irish patriots, they were but proving their zeal for the newly-found liberties of the Irish Free State. In brief, the Irish have changed not their political souls, but merely the political sky, by crossing the sea of troubles through which they have passed on their way to the Promised Land. It is still the prerogative of the synthetic Gael to be more Irish than the Irish themselves.

It is probably too much to expect the world in general to be thrilled by the thought that it is now necessary to address one's letters from Dublin Castle in Irish, and that official sanction at last exists for all the thousand and one details of social habit and usage which a short time ago were the proscribed practices of murderous rebels. Even the casual visitor has had to learn that the real name of Queenstown is Cobh (pronounced Cove) and that Dun Laoghaire, not Kingstown, is the port at which the steamers from England arrive. Yet, it is largely in the exercise of such privileges that the Provisional Government has demonstrated its real existence so far as the popular imagination is concerned. Nobody accustomed to the old régime can fail to be impressed by the seriousness and the humors, conscious and un-

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conscious, of the new dispensation. On every hand there is patent and palpable evidence of a new order, and nothing could better demonstrate the support which the Free State has than the acquiescence in this radical change by all concerned. The great virtue of the English Civil Service system, its freedom from politics, has stood Ireland in good stead, for the permanent officials of the British administration are serving their new masters with sublime indifference to mundane considerations. The only friction of which one hears is that occurring in the northern area, where no tradition of administration exists, and there is a certain hostility and jealousy towards the civil servants allotted to the northern government when the Civil Service was divided up proportionately between the Belfast and Dublin governments. Surprising evidence of the almost mechanical and superhuman impartiality of the bureaucracy comes to light. For instance, the manager of a Labor Exchange which happened to be close to one of the fortresses held by the insurgents in Dublin paid over their unemployment doles to several warriors who emerged in the thick of the fighting to collect their weekly payment for the period terminating before the outbreak of hostilities!

There is little danger of a breakdown of the Free State Government on the administrative side, so long as the permanent officials show the same willingness to cooperate as heretofore. In a military sense the Provisional Government is also strong, for it has more recruits than are needed for an army which enjoys a popularity and a confidence that no troops have had in Ireland since the days of Grattan's Parliament. The National Army is a very fine body of men, who are thoroughly equipped for the kind of fighting they have to face. Like their opponents, they have learned the art of guerilla warfare in the same school and against a common foe, whom they defied for the two years and more of Sinn Fein's outlawry with extraordinary skill and endurance. Where the irregulars are at a disadvantage now is that they are no longer fighting with the countryside behind them. In most places popular feeling is against them, and they cannot count upon the support of the civilian population, as they could in their struggle against the English. Hence the looting and destruction which everywhere mark the passage of the insurgents. Everything they need must be procured by force and threats, and they have been driven to conscript men to work for them, digging trenches, erecting barricades and the like. As time goes on their position

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becomes worse, for wherever they have exerted the power which armed force confers upon them they leave behind them more active enemies. The National troops, on the other hand, gain by this process, as they increasingly appear in the light of saviour and the only defence of unarmed law-abiding citizens against bandits.

If it be asked why, then, with all the circumstances in their favor, the Irish Government seems to make so little headway towards making an end of the present disorder, the answer is simple. Ireland has not been engaged for hundreds of years in a struggle against England without learning many things which would never occur to the mind of a well-regulated and orthodox statesman. One of the most elementary lessons so learnt has been the fatal and certain danger of doing the obvious. If the British Government had more frequently failed to do the obvious, the Irish question might long since have ceased to trouble more than a handful of doctrinaire nationalists. Now, the obvious thing for the Irish Provisional Government to do is to capture and shoot the leaders of these insurgent bands. By all accounts, a good beginning might easily have been made during the fighting in Dublin last June and July, but the authorities were too wary to be caught with the chaff of patriotic martyrdom. Nothing would be easier than to turn the leaders of the irregulars into national heroes by shooting them. It is much more subtle to give one's opponents the rope with which they will hang themselves, and the "Documentarians"—as they are called in an allusion to Mr. de Valera's famous Document No. II—are slowly but surely accomplishing their own doom. The ridicule of that document itself was bad enough, but by degrees the whole ideal of Irish republicanism is being divested of all its glamor, and is becoming associated with violence, crime and senseless destruction. What might have been cherished as a lofty dream is being trailed in the dust of ruined homes and burning cities.

There is, moreover, another reason, which perhaps only those well versed in the psychology and history of the Irish people can appreciate, why the Provisional Government cannot declare war upon republicanism, even granting that this is really the ideal for which the insurgents stand. The Irish nation has by a large majority accepted the Free State, but that acceptance by no means implies the discredit of republicanism. Ireland still maintains her claim to complete independence, and there is no dis-

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position to admit that willingness to accept a substitute in the form of Dominion Home Rule in any way invalidates that claim. Indeed, were the Free State to renounce that claim specifically, it would at once lose a great mass of popular support and must certainly antagonize many of its most valued statesmen and leaders at the present time. To put the matter in the form of an Irish bull: the Free Staters, being republicans, are not prepared to destroy republicanism; but they are prepared loyally to work under the terms of the Free State settlement and to enforce the expressed wishes of the great majority of the people, by suppressing anarchy and safeguarding peaceable citizens in the rights which the Treaty confers upon them.

In this task their work is greatly facilitated by the insurgents themselves, who, as readers of the press have observed, are always referred to as "irregulars." This term, which outside commentators have found exceedingly inadequate and mealy-mouthed as a description of the revolting elements, is the only term which the Free State censor will allow the press to use. The word "rebel" is one with glorious associations in Ireland, and the Irish Government will not allow it to be misapplied, for its connotations are very specific in Irish history. Although a term of opprobrium to British ears, "rebel" in Ireland is synonymous with national heroism, and has been the proud distinction of a long line of distinguished patriots. Such an oriflamme must not be dishonored by association with the exploits of a handful of desperate men representing nothing but their own inability to face facts. Similarly the revolters against the Free State cannot be properly called republicans, for their leader, Mr. de Valera, has committed himself to a compromise on republicanism which differs from that of the Free State only in so far as it embodies no discernible practical principle. People naturally prefer a compromise which means something definite and tangible to one which satisfies nothing but Mr. de Valera's taste for political metaphysics. There might have been a minority party, commanding a certain respect, whose aim was to preserve intact the traditional ideal of complete Irish independence. Instead, the very name of idealism is beginning to stink in the nostrils of all sensible and law-abiding people in Ireland, for it is being associated with a campaign of futile and shameful destruction.

The policy of the Free State Government is, therefore, one of a certain Machiavellianism which is possibly liable to misinter-

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pretation at the hands of casual or ill-disposed observers. Its methods must often seem incomprehensible and somewhat unorthodox to those accustomed to the decorum of older administrations. For example, as might be expected in a country where dialectical skill has always been highly appreciated, there is a diverting wealth of controversy and argument carried on beneath the public gaze between the authorities and their opponents. The printers of pamphlets and handbills and posters in Dublin are apparently doing a roaring trade, for it is the amiable practice of the contestants to placard the walls and lamp posts with striking statements of their case. When the irregular garrisons in Dublin surrendered and were safely housed in prisons, the government printed a menu of the day's fare of these prisoners, described the comfort of their cells and the privileges they enjoyed as political offenders. These advantages were pointedly contrasted with the misery and starvation of the thousands of innocent people thrown out of employment and driven from their homes by the fires and destruction of property caused by the insurgents. The gentle art of war propaganda has not been wasted upon the alert minds in charge of the government's publicity department, and the daily interchanges of argument and invective adorning the blank spaces of the city are read by appreciative crowds. It may be all very unconventional, but it is most effective, for the irregulars are entirely without arguments that will bear examination, and they lack the wit and skill necessary even to make the best of a bad case. Their chief weapon is falsehood, and every lie is duly exposed by the indefatigable agents of the Provisional Government.

Thus it comes about that, in the midst of all the disorders which loom so large in the daily press, Ireland maintains a surprising degree of normal activity. One hears people who meet in the street in the morning enquiring: "Was there much shooting up your way last night?" as one might ask what the weather was, or if business were good. Everywhere there is an immense desire for peace and the fullest confidence in the capabilities of the new régime. Michael Collins, in particular, was the man of destiny, for in his unbounded courage and energy and his transparent honesty the most diverse people had come to rely. Great as was the loss of Arthur Griffith, the power behind the throne of Sinn Fein, his personality was not like that of Collins who was the dynamic element, the great driving power in the Free State Cabinet.

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At the same time it must be remembered that the Sinn Fein movement has found its strength not merely in the resolute leadership of certain outstanding individuals, but also in the intelligence and self-sacrifice of the great anonymous mass of its adherents, who in times of crisis have come forward and revealed their capacity. There are two stages in the popularity of the Sinn Fein leaders, the first, in which they are known only to their immediate associates, and the second, when they step into the arena of national affairs and become public men. With the exception of Arthur Griffith almost every one of the names which have been prominent in Irish politics since the Easter Rising of 1916 are those of men scarcely known outside the particular political circle in which they quietly worked for the cause of Irish freedom. It is, therefore, a mistake to assume that those who happen to have come to the attention of the outside world through the peace negotiations represent the complete resources of Sinn Fein statesmanship.

While it is impossible to deny that the death of Michael Collins in an ambush, on the night of August 22, inflicted upon Ireland a loss more serious than that caused by the regrettable death of Arthur Griffith, the significance of the tragedy must not be exaggerated. It is an achievement typical of the frenzied policy of the irregulars in that it is bound to have the opposite effect to that desired by the insurgents. It will harden the hearts of the Irish people still further against the "idealists," who now have to their credit not only the long toll of destruction and suffering characteristic of their futile operations, but also the death of a leader whose idolization by the crowd was equalled only by the confidence and respect and affection he had inspired in all classes of the community. The parallel between this loss to Ireland and that of the United States when Lincoln was assassinated has already suggested itself. The comparison is more apt than in the case of most parallels of this kind, for it not only emphasizes the peculiar hold which Michael Collins had upon the hearts and imagination of his countrymen, but also reminds us of the hope that emerges from such tragic events. The murder of Lincoln deprived America of her man of destiny, yet the United States fulfilled their destiny without him, and the ideals of the dead leader and of the Civil War did not perish. Names new to the general public will come to the fore in the councils of the Irish Free State; men like Richard Mulcahy, the present Chief-of-staff,

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whose military record has placed him high in the esteem of the army, will doubtless be compelled by circumstances to step forward and exercise the popular leadership from which only his modesty has heretofore excluded him. George Gavan Duffy, lately Minister for Foreign Affairs, and the son of Sir Charles Gavan Duffy (whose evolution was from Irish "rebel" to Prime Minister of Victoria, Australia), is another typical example of the sort of men upon whom the Free State can call. Nothing could be more mistaken than the notion that Ireland is helpless without the few leaders whom chance has made familiar to the world's press. There are others who will emerge as fate demands.

The weakness of the National Government lies in a direction which is not apparent to superficial examination, but must be sought in the fundamental unsoundness of the whole situation as defined by the Peace Treaty. There is no danger, in spite of what has been alleged by those in whom the wish is father to the thought, that the Irish Government will collapse through any inherent weakness in its composition. It has been relying and still draws upon the advice of the best minds in the country and upon the cooperation of a well-trained staff of permanent officials. Financially, the Irish Free State is more than solvent, it can promise release from burdens of taxation which will probably be the deciding factor in bringing northeast Ulster into a united Ireland. But it is weak in so far as it lacks authority to speak for more than a part of a country which is a geographical and economic unit. Not only can the Free State Government say nothing on behalf of the oppressed minority in the northeast, but Belfast has not yet even been induced to draw any distinction between the national army and the irregulars. Although Collins offered more than one olive branch to the Northern Government, and actually precipitated events in Dublin last June by intervening to call off the unauthorized boycott of Belfast goods by the irregulars, Belfast has never officially come forward with even a verbal assurance of its support and cooperation to those in the south who are striving under such difficulties to maintain order. The Belfast newspapers, which escape the blue pencil of the Free State censor, seem to delight in chronicling the deeds of every gang of desperadoes about the country in terms which imply that the irregulars are everywhere triumphant and irresistible. Ireland, in other words, is still saddled with the "Ulster" problem, so long the crux of the whole question.

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Under the terms of the Treaty a revision of the boundaries of the northern area was to be the work of a special commission, but the Belfast Government has lost no opportunity of flaunting this provision and of defying it in advance. This situation provides the irregulars with their one strong card, for they point not only to the shameful record of religious oppression in northeast Ulster during the past twelve months but to the avowed intention of the Orange element to resist any attempt at even an equitable partition of the country along lines having some relation to the political facts. It is no thanks to Belfast, but fortunate for the Free State, that the refugees from Ulster have been quick to repudiate the suspicious enthusiasm of the irregulars for their wrongs, and to blame the latter for a great deal of the panic-stricken intransigeance which possesses the Orange mobs. The irregulars are suspected, and have, indeed, been definitely accused, of deliberately stirring up the fires of hatred and intolerance for two reasons. First, in order, if possible, to reduce northern Ireland to a state of anarchy in which the Belfast Government could not function. And secondly, in order to create such disorders as would cause British intervention, leading to the discredit of the Southern Government, and possibly to a decision on the part of England to reoccupy the whole country.

The Free Staters believe, and public opinion is with the authorities in this, that the complete crushing of the irregulars is merely a matter of time. For the reasons already indicated, they prefer to allow their enemies enough rope with which to hang themselves rather than to intervene so drastically as to call up a wave of reaction in their favor. There is just one vital danger here, and that is, the irreparable injury and appalling financial loss which this revolt is inflicting upon the country. The question arises whether the irregulars will have reached the end of their tether before the economic life of the country is ruined, or whether they will hold out just long enough to bring the whole industrial order down in the crash which will surely engulf themselves. Apart altogether from sentimental damage incurred by the loss of historical buildings and documents, there has already mounted up a tremendous bill of claims for compensation in every place where the irregulars have entrenched themselves and been driven out, for whatever these people may fail to accomplish, they always succeed in destroying a vast amount of valuable property belonging to their countrymen. The idiotic vandalism of this destruc-

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tion is worthy of the militarist mind at its worst. Its vital significance will not be fully realized until the statistics of this year set forth in cold figures the full story of arrested economic life, which those already issued indicate with deadly clearness.

The working classes cannot but realize what this campaign of "idealism" is costing the country industrially, and this fact must be remembered when any attempt is made to estimate the part of Labor in Irish politics. There have been sporadic and isolated outbreaks of what is usually termed "Bolshevism," the seizure of factories by the workers and the hoisting of the red flag, but, as happened in Italy where the same experiments were tried on a larger scale, these revolts have never lasted long. The notion that Irish labor is fired with the gospel of Moscow need not be seriously entertained, and the relative impotence of the Labor Party politically was demonstrated last July, when a meeting was summoned in Dublin with a great flourish of trumpets for the purpose of effecting a peace between the Provisional Government and the irregulars under threat of an organized counter-revolt on the part of Labor. The meeting achieved nothing, and the affair fizzled out in a stream of mere words and pious hopes, from which it was evident that the Labor leaders had nothing constructive to propose. As a matter of fact, a patched up peace could be at best a temporary expedient, for the issue has been squarely raised and is absolutely fundamental. The country undoubtedly desires a fight to a finish on this issue of the right of an armed minority to challenge all authority and to impose its theories by sheer terrorism. Powerful as Irish Labor is becoming in trade union organization, its political programme is negligible for it lacks political leadership. In the circumstances it is doubtful if there is any danger of a junction of forces between the irregulars and the more definitely class-conscious proletariat, for the latter are suffering too much from the economic and industrial paralysis which is the one definite achievement of the insurgents. Had the republican ideal been preserved intact, Labor might have rallied to that standard, for want of any other, but the credit of the "idealists" is no higher with the working classes than with the farmers and the bourgeoisie.

The new Ireland is no doubt in the process of sowing its wild bullets, and it would be a mistake to overstress the seriousness of a period of semi-civil war which is as nothing when compared with the ordeals from which other nations have had to emerge to

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strength and prosperity. The pessimists, at least, are refuted, for the worst that has happened has failed to develop according to the prophecies of those who have thwarted and denied the hope of the Irish people in their own destiny as a self-governing community. Already the sense of responsibility has called forth latent virtues, and perhaps not the least of the merits of the Free State is the way in which it is crystallizing one fundamental doctrine of Sinn Fein, to wit, self-reliance and self-sufficiency. Ireland is becoming increasingly conscious of the unimportance of expatriate Irish patriotism, and more normally insensitive to the opinion of the outside world. The Irish Government realizes more and more clearly that the task of Irish statesmanship is not to conciliate outside opinion, not to keep one ear ever alert for developments overseas, but to work out the salvation of Ireland in Ireland, with the help and cooperation of all classes of Irishmen who place the welfare of their country first. After enjoying the doubtful dignity of becoming a world question the Irish problem is once more domestic. But this time it is not a domestic question of British politics to be trifled with by a distracted and overburdened imperial legislature. It is a question which "we ourselves" must solve, and there can be no reasonable doubt of Ireland's capacity to do so.

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THE MANDATES OF THE PACIFIC

By George H. Blakeslee

OF THE islands of the Pacific Ocean, a large proportion are now held, not under the complete sovereignty of any power, but as Mandates under the supervision of a group of nations. The problem of these Pacific Mandates raised one of the most acute issues at the Paris Conference in 1919; one of them has more recently been the cause of severe international friction between the United States and Japan; while of the others, the United States still contests the validity of their title. These Mandates in the Pacific, together with that for Southwest Africa, were the first formally awarded by the League of Nations; and, with Southwest Africa, they alone make up the class of "C" Mandates. They are of especial concern to Americans, due to the long-continued and important interests which the United States or its nationals have had in many of the islands.

There are four distinct Mandates in the Pacific. Japan administers the Carolines, Marshalls and Marianas (except Guam), all north of the Equator; Australia, the former German part of New Guinea and the Bismarck Archipelago, with adjoining islands, all south of the Equator; New Zealand, the western islands of the Samoan group; and the British Empire, the rich phosphate island of Nauru. With the exception of Samoa, which is in the south central Pacific, the Mandates comprise a large bloc in the west central part of the Pacific, east and southeast of the Philippines. Their land area is greater than that of England, Scotland and Wales combined, although their estimated population is small, hardly 500,000, and of this total, just before the War, the whites numbered less than 2,000. The chief importance of the islands lies in their strategic and naval value; they include one of the best possible commercial and naval bases in the Pacific—Rabaul in New Britain—and have particular significance for any possible conflict between the United States and Japan. From an economic viewpoint, they produce large amounts of copra, and contain some of the richest phosphate islands in the world. The full extent of their economic importance is still undetermined; while they are valuable tropical possessions, it is certain that they can never rank with such islands as Java or the Philippines.

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These Mandates formerly comprised the German island possessions of the Pacific. They were well administered by the Germans along economic lines, although the natives, while not subject to such grave abuses as in Southwest Africa, were not as well treated as in the usual British and American dependencies.

At the opening of the war, in 1914, all of these islands were easily captured, for they were entirely undefended; they had no forts, no garrisons, and only a few native police. At the suggestion of the British Government, Australia and New Zealand occupied New Guinea and Samoa respectively. It was the original intention of the British Government to have Australia seize also the strategic points in the Carolines, Marshalls and Marianas, but Australia delayed, and when its Expeditionary Force was organized and ready to sail, word was received from London that an agreement had been made by which Japan would occupy the islands north of the Equator.[1]

At the Peace Conference, when the Supreme Council discussed the disposition of the German colonies, and President Wilson urged the mandate idea, Premier Lloyd George accepted the principle for those German colonies which had been conquered by British Imperial forces, which included none of the Pacific islands, but the Premiers of Australia, New Zealand and Southwest Africa, and the representative of Japan, insisted vigorously that their countries should be permitted to annex the territories which they then held under military occupation.[2] This claim to treat a large part of the German colonies as spoils of war led to one of the crises of the Peace Conference. The delicate situation was met by Mr. Lloyd George who called a meeting of the Dominion Premiers and, after a heated discussion, induced them to accept a compromise proposal by which the Mandates would be divided into three classes, and class "C," containing the Pacific islands, would be "administered under the laws of the Mandatory as integral portions of its territory, subject to the safeguards . . . in the interests of the indigenous population." This plan was as near to outright annexation as could well be

[1]Report by the (Australian) Minister of State for Defence on the Military Occupation of the German New Guinea Possessions, 1921. Melbourne: Government Printer.

[2]In February, 1917, Japan induced Great Britain, France and Italy to agree by an exchange of secret diplomatic notes, that at the Peace Conference they would all support Japan's claims to Germany's island possessions north of the Equator, and Great Britain to those south of the Equator. J. V. A. MacMurray, Treaties and Agreement with and concerning China, 1894–1919, p. 1168.

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secured under the form of a Mandate;[3] but the compromise was accepted by President Wilson, and later became Article 22 of the Covenant of the League in the Treaty of Versailles.

Although the Council of Three, President Wilson and Premiers Lloyd George and Clemenceau, agreed at the Paris Conference on the division or allocation of the Pacific Mandates, so far as they alone could legally do so—a misunderstanding as to Yap developed later—the only provisions in the Treaty of Versailles regarding the Mandates were in Article 22, which outlined the Mandate plan, but without reference to their allocation, and in Article 119, which stipulated that Germany renounced in favor of the Principal Allied and Associated Powers all of her rights and titles over her oversea possessions. After the United States had failed to ratify the Treaty of Versailles, the remaining Principal Powers, without the official consent or knowledge of the American Government, formally awarded the "C" Mandates, the Pacific islands and Southwest Africa, and drew up proposed terms under which they should be administered. The Council of the League of Nations confirmed these "C" Mandates December 17, 1920.

According to the terms of these Mandates, which are identic, the Mandatory's full power of administration and legislation is limited by important conditions. Each is required to "promote to the utmost the material and moral well being and the social progress" of the natives; to control the traffic in arms and ammunition; to ensure freedom of conscience and worship and to respect the rights of missionaries; and to make an annual report of its administration to the Council of the League of Nations. There are also certain things prohibited: The slave trade; forced labor "except for essential public works and services, and then only for adequate remuneration;" "the supply of intoxicating spirits and beverages to the natives;" "the military training of the natives, otherwise than for purposes of internal police and the local defence of the territory;" and the erection of fortifications and the establishment of military or naval bases. No provision was made in the "C" Mandates for the open door in the mandated territory, as was done in the case of the "A" and "B" Mandates.

The finality of the Mandate award was seriously affected by the protests made by the United States, both to the Council of the League, February 21, 1921, and to the Principal Allied

[3]Ray Stannard Baker, War Spoils at Paris, New York *Times*, May 28, 1922.

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political control, although it complained when Germany and Powers, especially by the trenchant identic note sent by Secretary Hughes to Great Britain, France, Japan and Italy in the early days of April, 1921. The United States maintained particularly that the cable island of Yap had never, with its consent, been included in the Japanese Mandate; and also, in Secretary Hughes' note, that neither the other Principal Powers nor the League of Nations had the right to award or define a Mandate without the consent of the United States. It regarded the title of all Mandatories as invalid without this consent.

Japan also protested; it contended for the Open Door in the "C' Mandates, and officially objected to the application of the White Australia policy to the New Guinea and Samoan territories.[4]

THE JAPANESE MANDATE

The Japanese Mandate, including all of the former German islands north of the Equator, comprises many hundreds of islands, some of them rocky peaks of volcanic origin, but the greater number low-lying, tiny coral islets. The total land area is less than that of the state of Rhode Island. The population is small—52,222 according to the Japanese census of 1920. The natives vary greatly, from the barbarians of the Western Carolines to the civilized and Christianized inhabitants of the Marshalls. The economic value of the islands is not great; their trade, at its height under the Germans, was less than $2,000,000 a year, scarcely one-ninth of that of such a small and backward country as Salvador. Copra is the chief product; phosphate deposits are worked upon Angaur, to the annual value of approximately $200,000 to $400,000, and exist upon others of the Western Carolines; and sugar is now raised profitably upon one of the Marianas. But the island products, while some of them, especially copra, may be considerably increased, will probably never be very great in amount.

In these archipelagoes the United States or its citizens have long been much interested. American missionaries, beginning in 1852, largely civilized and Christianized the eastern Carolines and the Marshalls, and finally became so influential that the United States might easily have annexed some or all of the islands, had it desired to do so; but it would not make the slightest move to develop the predominant influence of its citizens into

[4]Official Journal, League of Nations, January-February, 1921, p. 95.

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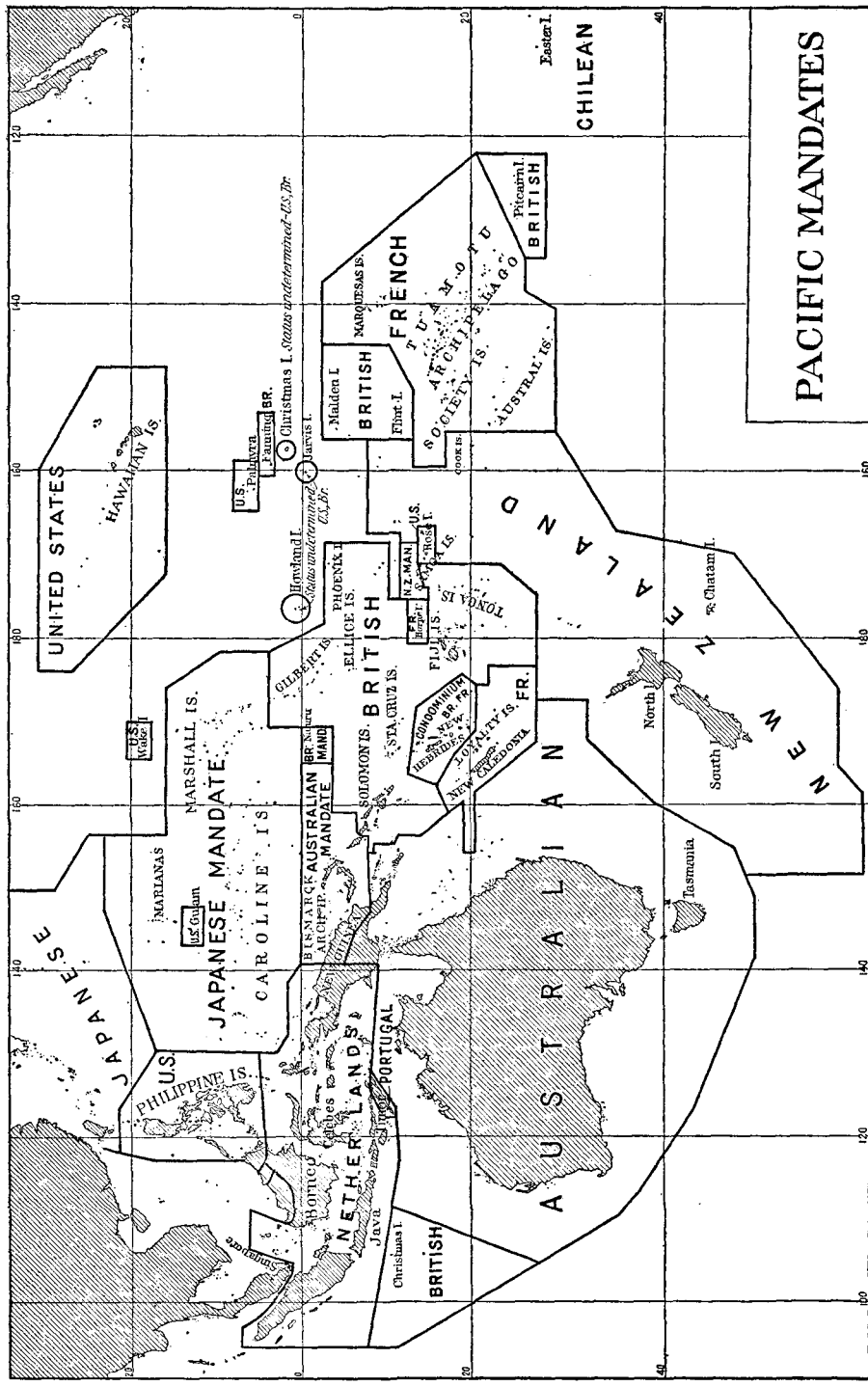
PACIFIC MANDATES
UNITED STATES
HAWAIIAN IS.
JAPANESE MANDATE
MARSHALL IS.
CAROLINE I'S
MARIANAS
Isl. Guam
U.S. Wake I.
PHILIPPINE IS.
JAPANESE
BISMARCK ARCH. AUSTRALIAN MANDATE
Br. Nauru MAND.
NETHERLANDS
Java
PORTUGAL
Timor
BRITISH
Christmas I.
AUSTRALIA
Tasmania
NEW ZEALAND
North I.
South I.
Chatam I.
CHILEAN
Easter I.
BRITISH
Pitcairn I.
FRENCH
TUAMOTU ARCHIPELAGO
SOCIETY IS.
Cook Is.
AUSTRAL IS.
MARQUESAS IS.
Malden I.
Flint I.
Jarvis I.
Christmas I. Status undetermined-U.S.Br.
U.S. Palmyra
Br. Fanning
Howland I. Status undetermined U.S.Br.
PHOENIX I.
ELLICE IS.
GILBERT IS.
STA. CRUZ IS.
SOLOMON IS.
BRITISH
CONDOMINIUM HEBRIDES Br. Fr.
NEW CALEDONIA
LOYALTY IS. FR.
FIJI IS.
N.Z. MAN
Fr. Empl.
U.S. Rose I.
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Spain occupied the groups in 1884–5.[5] American policy, however, was unexpectedly changed by the Spanish War, which revealed the naval value of these groups. The United States then insisted, in the armistice terms, upon taking Guam; and later, during the Peace negotiations, when the importance of the Eastern Carolines was realized, it made unsuccessful financial offers for one or more of them.[6]

In the World War, when these archipelagoes were in the naval control of Japan, informed American opinion realized their strategic importance more keenly than before. While they contain no great naval bases, they have many good coaling stations and reef-protected anchorages. For 2,400 miles they flank, and if fortified and equipped, would gravely endanger the line of American communications between Hawaii and the Philippines. For this reason it was felt by many that these islands should be ceded to the United States at the close of the war.

At Paris, however, President Wilson made no objection to the award of these islands, as a Mandate, to Japan, although he did make an exception of Yap, which he believed should be open to more general international use on account of its value as a cable station. While Yap is not as important to the United States, even for this purpose, as Guam, it does control an alternate and the more important cable route from Guam to China, and the only direct Pacific cable connection between the United States and the Dutch East Indies. The reservation in regard to Yap, by some oversight, was unfortunately not recorded in the minutes of the Supreme Council on May 7, 1919, at which time a temporary agreement was reached for the allocation of the Pacific Mandates.

After months of popular discussion and diplomatic negotiation, the United States and Japan agreed upon a treaty, signed February 11, 1922, and now in force, which settles this Yap-Mandate dispute. As to Yap, the United States is given exactly the same rights as Japan in the island so far as relates to electrical communication—that is, to the landing and the operation of cables and to radio, although it is stipulated that so long as Japan shall maintain an adequate radio telegraphic station, with equal charges, the United States will not exercise its right to establish its own radio station in the island.

[5]Moore, Digest, I, p. 423; United States Foreign Relations, 1892, p. 444.

[6]Senate Document, No. 62, Part I, Fifty-fifth Congress, Third Session, pp. 251–2, 474–5, 484; United States Foreign Relations, 1898, pp. 939–64.

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As to the Mandate as a whole, the United States gives its formal consent that Japan shall administer these islands and Japan, in return, agrees that the United States is to enjoy all the rights named in the Mandate for the benefit of the members of the League of Nations, and, in addition, certain further rights not specifically guaranteed to the members of the League: that is, American missionaries may own property, erect religious buildings, and open schools throughout the islands; vested American property rights are to be respected; and existing treaties between the United States and Japan are made applicable to the Mandated islands. By the latter provision, due to the liberal character of the present American-Japanese Treaty of 1911, American citizens have the right, upon the same terms as the Japanese, "to enter, travel and reside" in the Mandated islands in order "to carry on trade . . . and generally to do anything incident to or necessary for trade." They are also guaranteed the most favored nation treatment in tariff duties and "in all that concerns commerce and navigation."

The Treaty should satisfy both Japan and the United States, for each secures its essential needs and desires. Japan has gained a clear title as Mandatory. The United States has obtained: (1) equal cable rights in Yap; (2) a definite guarantee, given both in the original Mandate and repeated in the present treaty, that "no military or naval bases shall be established or fortifications erected in the territory," a provision which, in largest part, does away with the menace of these islands remaining in Japan's possession; (3) protection for American missions and American traders; and (4) a recognition of its rights as one of the original trustees of the Mandate—shown especially by Japan's agreement to send annually to the United States a duplicate of the report on its administration which is to be made to the Council of the League of Nations.

The legal status of Japan's title as Mandatory, as a result of the new treaty, is an interesting one. The title is derived in part from Great Britain, France, Italy and Japan, as four of the Principal Allied and Associated Powers, and is granted by the Mandate, ratified by the League of Nations; but it is also derived in part from the United States, as the remaining Principal Allied and Associate Power, and is granted by the present treaty, which ratifies the Mandate and stipulates for certain additional advantages. The essential parts of the Mandate cannot be modi-

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fied without the consent both of the Council of the League and of the United States; the necessity for the consent of the Council is stipulated for in the terms of the Mandate; while the consent of the United States is assured by a provision in the present treaty. As Japan derives its title from two sources, given by two differing legal documents, so it is also responsible for its administration to two trustees:(1) the Council of the League, for administering in accordance with the terms of the Mandate; and (2) the United States, for administering in accordance with the terms of the Treaty of February 11, 1922.

From October, 1914, when Japanese forces first occupied these islands, they remained under the control of the Japanese Navy Department until April 1, 1922, when a purely civil South Seas Government came into operation, which is responsible directly to the Imperial Cabinet. The Japanese undertook the administration of the islands with commendable earnestness and energy. Experts and high officials visited the archipelagos in large numbers in the early months; the native chiefs were taken on visits to Japan; roads were built, additional cocoanut trees planted, navigation buoys placed, surveys made; a regular subsidized steamship service to the islands was established; and trade and commerce with Japan were furthered. Due to wartime regulations, the government was able to give Japanese a virtual monopoly of trade and commerce. The Germans were all sent away, other foreign traders discouraged, commerce in general restricted to Japanese ships, and all foreigners forbidden to enter or leave the islands without special permission, usually difficult or impossible to obtain. Under these conditions Japanese commercial companies established themselves in the islands and invested considerable capital, and the number of Japanese increased from 83, before the war, to 3,671 in 1920.

In military and naval matters the Japanese have completely lived up to the provisions of the Mandate. They have built no fortifications, established no naval bases, and have not trained the natives for military purposes. But, as they have a right to do, they have established radio stations, at least eight of them, four being powerful enough to communicate with Japan, have begun experiments with aeroplane flights, and are maintaining a small police force numbering less than a hundred.

The most striking feature of the Japanese administration is the establishment of elementary schools. The Germans had no

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government schools, leaving the education of the natives entirely to American and German missions; but the Japanese Government, with much the same spirit which actuated the American Administration in the Philippines, is extending elementary schools as rapidly as possible and requiring the attendance, wherever the schools are available, of all children from 8 to 15 years of age. Many are boarding schools, to which the children are brought from the nearby islands and educated free of all charge under the almost constant influence of the Japanese teachers. Wherever government schools have been established, the school authorities have refused to allow native children of school age to attend the mission schools.

The Japanese administration as a whole has been energetic, progressive—as is shown by their schools and by their care for the health of the natives—and in general fairly efficient. On the other hand, there has been over-administration, a too careful supervision of details, too many officials, occasional annoyances and injustice due to petty naval officials, and an attempt to hustle the simple natives too fast.

As to American rights and interests, the Japanese, the past few years at least, have been placing no obstacles in the way of the evangelistic work of the American missions. The regulation, however, forbidding native children between 8 and 15 to attend the mission schools would appear to be in violation of the new treaty regarding the Mandate, although they may reasonably insist upon proper educational standards in these schools and upon instruction in Japanese. With the inauguration of the new civil government, this regulation, as well as those which have practically closed the islands to American trade and commerce, will naturally be modified.

THE NEW ZEALAND MANDATE: WESTERN SAMOA

Next in importance to the Japanese Mandate, from an American point of view, is that of New Zealand over Western Samoa. In the principal harbor of Samoa the rusted wrecks of old warships are today a striking reminder of the past international rivalry for these "Pearls of the Pacific"; of the stirring times when American and German warships threatened each other, sometimes with decks cleared and guns trained for action, until the hurricane of March 15, 1889, destroyed them all and left them impotent wrecks in the harbor and on the reefs of Apia. After

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international administration had been demonstrated to be a failure, the archipelago was divided between Germany and the United States, in 1899, Germany receiving the western islands, the largest of the archipelago and among the best developed and most fertile in the Pacific, while the United States gained the eastern islands, including Pago-Pago, the only real harbor in the entire Samoan group and the most magnificent naval base in the South Seas.

Western Samoa comprises two islands of a total area of 1,000 square miles. Though both of them together appear no larger than a pin head on an ordinary map of the Pacific, their area is somewhat greater, and their exports, mostly copra and cocoa, very much greater, than that of all the hundreds of islands which make up the Japanese Mandate. The total population, in 1921, was 37,031, including 2,026 whites and half-castes, and 1,781 indentured laborers, mostly Chinese.

After the New Zealand forces occupied German Samoa, August 29, 1914, the islands were under military administration until May 1, 1920, when a civil government was established. During military rule, there was no serious interference with the economic life of the islands; the Germans were permitted to manage their well-kept plantations as usual, the copra product grew larger, and the economic prosperity of the islands increased. There was no monopoly of commerce, such as both Japan and Australia enforced in their occupied territory. In fact, the greater part of Samoan trade during these years was with the United States and was carried in American vessels. The tariff rates were low and were uniform, with no national preferences or discriminations.

The civil government of the Mandate was established by a Samoa Constitution Order, issued by the New Zealand Parliament. By this act the Parliament of New Zealand retains full power of legislation over Samoa; the Governor-General of New Zealand may issue orders in Council; and the Administrator of Western Samoa—the chief executive officer for the Mandate, appointed by the New Zealand Government—may make ordinances with the consent of the local Legislative Council, a body which is composed of officials and appointees. The laws of New Zealand are not to be in force in Samoa unless expressly extended to it.

The civil government has been less liberal in most respects than the military. It has deported all Germans from Samoa, except

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those who are married to natives or are themselves partly Samoan, and has confiscated their properties and plantations, the most valuable in the archipelago, leaving them to receive reimbursement from their own government. Foreigners, other than Germans, have little of which to complain. They may own land, and foreign companies and corporations may establish themselves in the island. There are now nearly 300 Americans in Western Samoa, many of them owning landed properties and carrying on trade. Foreign commerce is under no restrictions other than a preferential import duty, established April 20, 1920, which charges British imports in general only 15 per cent ad valorem as against 22½ per cent on similar foreign goods.

The most interesting experiment upon which the civil government is entering is the attempt to carry on as State enterprises the large plantations and trading stations which it has confiscated from the Germans. There is considerable scepticism expressed as to the success of the attempt.

The civil government, notwithstanding its apparent good intentions, has evidently not been completely successful. There is well-nigh universal and deep-seated dissatisfaction on the part both of the whites, most of whom are British, and of the natives, who recently, through their district leaders, presented a petition requesting the British Government to relieve New Zealand from the Mandate and to appoint a Royal Governor direct from London. The New Zealand officials, while admitting the discontent, attribute it in general to hard times, and in particular to the prohibition of liquor, now enforced against whites as well as natives. But they do not meet the chief criticism, which is that New Zealand has sent a needlessly large number of officials to Samoa, about double the number under the Germans, most of whom are alleged to be inexperienced, incapable and unsympathetic towards the natives. It is a sad commentary upon the new regime that many are looking back longingly to the days of well-ordered, efficient German administration.[7] Probably, however, it is only fair to conclude, with the Sydney *Morning Herald:* "The administration is not nearly as bad as it has been painted."[8]

The chief foreign problems confronting Western Samoa both concern the United States. New Zealand must obtain the consent of the United States before its title as Mandatory will be

[7]Melbourne *Argus*, June 3, 1921.
[8]*The Round Table*, December, 1921, p. 221.

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CABLE COMMUNICATIONS IN THE PACIFIC

indisputably valid. Further, the new tariff discrimination would appear to violate the treaty rights of the United States, secured by the Samoa Partition Convention of 1899, Article III of which reads: "It is understood and agreed that each of the signatory Powers (United States, Germany and Great Britain) shall continue to enjoy, in respect to their commerce and commercial vessels, in all the islands of the Samoan group, privileges and conditions equal to those enjoyed by the sovereign Power, in all ports which may be open to the commerce of either of them." Since this Convention was a tripartite treaty, it is difficult to see that the United States has lost any of its rights as against Great Britain, by Germany's defeat in the War. If the Convention is

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still valid, it would appear to make illegal the British preferential tariff.

THE AUSTRALIAN MANDATE: NEW GUINEA

The Australian Mandate is of greater economic value, especially for the future, than any of the others in the Pacific. It includes about one-fourth of New Guinea, the largest island in the world with the exception of Australia; the Bismarck Archipelago, with the great island of New Britain; and the northern Solomons. Altogether it is about the size of the combined states of New York and Pennsylvania. Although much of the Mandate, especially the interior of New Guinea, is mountainous or swampy or covered by dense tropical forest, there is abundant rich land along the coasts and in the valleys of the large rivers. The economic development of the territory is limited, however, by the sparseness of the native population, which is supposed to be around 400,000—a mere estimate, since great areas of both New Guinea and New Britain have not even been explored. Although this number is large for the Pacific islands, it is small for the extent of the territory; and many of the tribes live in the almost inaccessible interior. In addition to copra, the usual product of the Pacific, the Mandate contains gold, coal and petroleum, but to what extent and commercial value, is not yet known.[9]

The territory was under Australian military rule from September 17, 1914, to May 9, 1921, when civil government was established. During military rule, until the Treaty of Peace was ratified, German law remained in force, in accordance with the terms of the Capitulation, and the German residents and their plantations were undisturbed. In outside trade and commerce, Australian military regulations were similar to those of the Japanese, rather than to the open door policy of Samoa; all oversea communication was limited to British ships, and trade was restricted exclusively to Australia.

By the New Guinea Act, 1920, the Australian Parliament provided for the establishment of a civil government, similar to that in Western Samoa, the chief executive officer being an Administrator with extensive powers. The Australian Parliament may

[9]For recent authoritative descriptions of the Australian Mandate, see Report by the (Australian) Minister of State for Defence on the Military Occupation of the German New Guinea Possessions, 1921. (C. 18347) pp. 8–10; and Interim and Final Reports of Royal Commission on Late German New Guinea, 1920, largely reprinted in Stewart's Handbook of the Pacific Islands, 1921, pp. 271–317.

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legislate for the Mandate, and the Governor-General may issue Ordinances. The ordinary legislation of the Commonwealth is not to be in force in the Mandate unless expressly extended to it.

The outstanding features of the Australian administration have been notable consideration for the welfare of the natives, anti-Asiatic restrictions, expulsion of most of the Germans and confiscation of their valuable properties, and a tendency to monopolize the economic resources and opportunities of the territory.

By the extension to New Guinea of the Australian Commonwealth Immigration Act, 1901-1920, the principle of White Australia has been applied to the Mandate, and the fears and protests of the Japanese have been justified. The Germans, with certain exceptions which are much the same as in Samoa, have been forced out of the territory and their properties confiscated; men even of moderate means who have spent their best years in plantation life in New Guinea have been turned adrift, taking with them only their claims against the German Government for repayment. The expropriated plantations, however, will not be retained as State enterprises, as in Samoa, but will eventually be sold to private individuals or companies.

As to the policy adopted in the Mandate, Australian opinion is divided. It is the treatment of the Germans, thought by many to be harsh, and the alleged resulting mismanagement of the plantations which have caused much severe criticism in certain of the Australian papers. It is claimed that young, inexperienced Australians are displacing the German plantation owners and managers, with the natural result that the estates are running down; and that the number of officials, as in Samoa, has been greatly and needlessly increased, many of the new appointees being former soldiers who have no knowledge of, nor sympathy with, the natives.[10] Whatever justice there may be in these criticisms, the last available statistics, although they do not cover the recent period since the Germans were dispossessed, show that the exports, especially of copra, the great plantation product, were greater for the twelve months ending June 30, 1920, than for any previous year, and more than double the figures of the last years of German rule. Whatever be the attitude of the newly appointed officials in New Guinea, the Commonwealth

[10]See Sydney *Morning Herald*, March 2, 1921; the Melbourne *Age*, June 13, 1921; the Manchester *Guardian*, August 2, 1921; and the Sydney *Telegraph*, August 17, 1921.

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Government has certainly shown an earnest desire to benefit the natives. The same governmental department which supervises the Mandate has charge of the affairs of Papua, British New Guinea, where the administration for years has been notable for its care for the indigenous population. In the Mandate, such former abuses as flogging have been abolished and increased protection has been given to indentured native laborers; as a possible result of these reforms, the number of natives who have entered indentured service has increased from 17,000, the maximum under the Germans, until, in 1921, under the Australians, it was 30,000.

It is the possible monopoly of the natural resources of the Mandate which most interests Americans, since the United States has no historic claims in New Guinea, as it had in both the Japanese and New Zealand Mandates, and no previously established missions. Trade and commerce are now legally open to foreigners, the tariff duties are uniform with no preferential rates, and the carrying trade between the Mandate and Australia is free to foreign vessels provided they meet Australian requirements as to seamen's wages and scale of accommodation. While there appears to be no law preventing foreigners from buying any of the former German property, or from receiving exploration permits to search for petroleum, there have been indications that these privileges would be restricted to Australians. Should the petroleum deposits in New Guinea turn out to be extensive and valuable, as they do not appear to be from the most recent explorations, it is to be presumed that the United States would not view with favor the monopolizing of these deposits in a territory to which it believes that its rights of partial ownership, resulting from the War, have not been legally extinguished.

A further point of possible contact between Americans and the Australian Mandate results from the recent action of the Australian and American Lutherans in taking over the mission work of the German Lutherans in the Mandate. Already several American missionaries have arrived in New Guinea.

THE BRITISH EMPIRE MANDATE: NAURU

Nauru, the tiny but valuable phosphate island just south of the Equator, is unique among Mandates. While it was granted to "His Britannic Majesty," yet in actual operation, by an official agreement between the Governments of Great Britain, Australia

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and New Zealand, the power of administering the Mandate has been placed in commission. By this agreement the executive, legislative and judicial powers in Nauru are vested in an Administrator, to be appointed by the Governor of Australia for the first five years, who is given practically unlimited authority over all matters other than the business relating to the phosphate deposits. The title to the phosphate is vested in a Board of Commissioners, one from each of the three governments, which manages the business and divides the output in a prescribed ratio: Great Britain, 42 per cent; Australia, 42 per cent; and New Zealand, 16 per cent. None of the phosphate can be sold to any other than these three countries until the wants of all of them are satisfied.

The Nauru agreement presents a clear case of a Mandatory monopolizing the natural resources of its Mandated territory, and has aroused considerable criticism. It was vigorously attacked in the British House of Commons. Mr. Asquith said: "It is illegal in its origin, unequal in its operation; it is opposed in all respects to the letter and the spirit of the Covenant of the League of Nations."[11] The government pointed out in defence that the exclusive right of working the phosphate had previously belonged to a British corporation, the Pacific Phosphate Company, and that the agreement merely transferred the property and rights of a British corporation to the British Government. The government was sustained by a vote of 217 to 77.

Nevertheless, American citizens are deprived of their previous privilege of purchasing this phosphate, and the United States regards the Mandate as invalid without its consent. It may be pointed out, however, that before the War Americans appeared indifferent to this privilege, for none of the phosphate was exported to the United States.

SUMMARY AND THE FUTURE

All four of the Pacific Ocean Mandates now enjoy civil government, under administrations pledged to carry out the terms of a "C" Mandate, identic for each. Of the Mandatories, Japan alone has an undisputed title; others, if they wish to perfect their titles, are under the necessity, like Japan, of making special treaties with the United States.

All of the Mandatories show a tendency, in some measure, to

[11]For the Nauru debate, see Parliamentary Debates, Commons, 1920, Vol. 130, pp. 1320, 1323–4.

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monopolize the resources or economic opportunities of their islands. In their view, they have a perfect right to do this, and their restrictions, in most cases at least, are not in violation of the terms of the "C" Mandates, which do not stipulate for equality of economic opportunity; yet, in the view of the United States, these restrictions are contrary to the implied obligations of a Mandatory or trustee state.

The status of all the Mandates has been affected by the recent Washington Conference. By the Four Power Treaty, Great Britain, Japan, France and the United States bind themselves to respect each other's rights in the Mandates as well as in the other islands of the Pacific, to refer serious international disputes regarding them to a joint conference, and in case of threatened attack upon them to consult together as to possible means of defence. But it is also provided that the making of the treaty shall not of itself be a recognition by the United States of any of the Mandates. Should a Mandatory Power, however, be engaged in war, there is apparently no reason why its Mandated islands should not be attacked, although it would appear doubtful whether, under the Treaty of Versailles and the Covenant of the League of Nations, a Mandate could legally be transferred at the end of a war without the consent of the Principal Allied and Associated Powers, which originally designated the various trustee states.

The introduction of the Mandate principle into the Pacific is an experiment which will be watched with interest. It means the administration of backward areas primarily for the benefit of the native inhabitants, the partial neutralization of such areas by the prohibition of fortifications and naval bases, and a genuine supervision of the work of the Mandatory by the League of Nations. This supervision gives promise of being thorough and effective. The League has appointed an able Permanent Mandates Commission, with a majority of its members representing non-Mandatory States, whose duty is to "examine the annual reports of the Mandatories and to advise the Council on all matters relating to the observance of the Mandates." Under the able guidance of the Director of the Mandates Section, Dr. William E. Rappard, of Geneva, for a time professor in Harvard University, the Commission is already making a careful study of the terms of the Mandates and the extent to which they are being carried out by the various Mandatories. Some idea of the thoroughness with

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which the Commission intends to exercise its supervision may be judged by the detailed and searching questionnaire submitted to each of the Mandatories as to its administration. Some puzzling questions are already being considered, among them the nationality of the inhabitants of a Mandate, and the apparent conflict between the prohibition of forced labor and the natural requirement of an administration that those under its control should do a reasonable amount of useful work.

The administration of backward races and undeveloped areas by individual states, in the Pacific as elsewhere, has hitherto not always been as fortunate as could be desired. There is hope that the Mandate principle of collective international supervision may bring better results and may furnish an example for the administration of backward regions which are now under the full sovereignty of separate Powers.

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THE ALLIED DEBTS

By John Foster Dulles

THERE cannot be a war without losses. For five years the world discontinued productive effort and concentrated upon destruction. The resulting losses are measured by debt. The debt assumes varying forms—internal, reparation, inter-Allied, etc.—and is generally represented by bonds or notes. For the four years succeeding the armistice the nations of the world have been desperately concentrated upon manipulating and shifting these symbols of loss. Each nation has sought to place them so as to relieve itself from, and impose on another, the task of making good its own war losses.

But have the stakes of this game been as high as they seemed? Will they ever be more than paper counters, due to practical limitations on the possibility of one nation making good material losses suffered in another nation?

This is the problem which we shall consider with respect to so much of our own war losses as are represented by the Allied debts.

STATISTICS

A large part of our material and products which were consumed in the war passed through the hands of the Allies. It was they who used them, and they undertook to make good to us this portion of our war contribution. This arrangement took the form of the Allied governments giving us their promissory notes in an amount equal to the value of the goods so used by them. There is thus owing to our government from Allied governments the following sums (which include some credits extended after the armistice for reconstruction rather than for war purposes):

United Kingdom	$4,197,000,000
France	3,357,000,000[1]
Italy	1,631,000,000
Belgium	350,000,000
Russia	170,000,000
Other Allies	300,000,000[2]
Total	$10,005,000,000

[1] Includes $407,000,000 due War Department for war stocks purchased.
[2] Includes $160,000,000 due War Department for war stocks purchased.

These figures represent principal only. Interest is not included. If we take January 1, 1918, as the average due date, and compute

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interest at five per cent, the total sum due today will be close to $12,500,000,000.

It is also useful to have in mind the situation of Great Britain and France with respect to intergovernmental war debts. There is owing to Great Britain from other governments approximately $16,500,000,000. This figure includes $7,315,000,000 as Great Britain's share (22 per cent) of the German reparation debt, finally fixed by the Reparation Commission at $33,000,000,000.

There is owing to the French Government from other governments approximately $18,404,000,000. This is arrived at by converting France's Allied advances of Fcs. 15,181,000,000 at the rate of 1 fc. equals 8 cents, and adding France's share (52 per cent) of the German reparation debt.

MORAL CONSIDERATIONS

There are persuasive reasons for the view that we cannot honorably seek to collect these Allied debts. It is urged that the war was a common enterprise in which each participant was under the duty to contribute freely its own resources; that this was really understood at the time our treasury advances were made; and that promises to repay were mere formalities to check waste and extravagance.

The conception has a strong appeal, for war is so terrible that we instinctively seek to idealize it, to give it the character of a crusade in which each participant pledges his all, irrespective of material considerations. But it is a conception which does not correspond to the facts. Actually, the war was conducted on the definite understanding that each belligerent should pay for any resources furnished by a co-belligerent, whether acquired for the prosecution of the war or otherwise. This was the basis which from the first prevailed as between the Allies, and when we entered the war we adopted the accepted arrangement. France and Italy paid for British coal and ships. We paid for the transportation of our troops in British ships and for the French services and materials which our troops used in France. Further, under the legislation permitting Treasury advances to enable the Allies to acquire war supplies from us, repayment was explicitly prescribed and the Allied Governments willingly gave their promises to repay. It is doubtless true that we made the advances for military and political rather than commercial motives, and we were, at the moment, to some degree indifferent as to the

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probabilities and mode of repayment. But we did insist on maintaining relations upon a basis which would leave us, after the war, with certain definite rights against the Allies. It was sound statesmanship to have done so. It was impossible at the time to foresee on what terms the war would end or in what situation it would leave the various belligerents. That situation has now developed and we must determine, in the light thereof, what use shall be made of the rights which we thus reserved to ourselves.

It is doubtless true that it is not the function of government to indulge in sentiment and make a pure gift of the property of its citizens. It is equally true that mere possession of certain rights does not necessarily require a blind and futile attempt to secure literal enforcement. The objective to be sought is that form of utilization which will most promote the welfare of the American people. The normal procedure will be to collect. But if this be impossible or if the effort involve serious risk, then it is not merely the right but the duty of our government to explore alternative means of utilization.

THE EXCHANGE PROBLEM CREATED BY INTERNATIONAL DEBTS

International debts, like domestic debts, may be either extinguished or funded. Let us first consider extinguishment and particularly the exchange problem to which this gives rise and which sharply differentiates international from ordinary indebtedness.

If an American creates a dollar debt, his ability to extinguish it is, roughly speaking, dependent upon his industry, capacity and resources. For what he does for others, he is entitled to payment in dollars as the medium which has legal currency. Thus he earns in the same currency as that in which his debt is payable and no exchange problem arises.

But today, for all practical purposes, there is no international legal tender. Gold nominally serves this purpose, but the amount is so small in proportion to international debts, and so concentrated in the hands of a few creditor nations, that it cannot today be regarded as an effective medium for the discharge of other than minor debit balances. In the absence, then, of any international currency, a foreigner, who has contracted a dollar obligation, cannot discharge that obligation merely by industry, capacity and resources. However hard or effectively he may work, he will, if a Frenchman, normally receive francs, or if an

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Englishman, pounds sterling. But this will not help him, for neither francs nor sterling can be tendered in extinguishment of his dollar obligation. The foreign debtor must in some way get dollars which, however, are the exclusive creation of the creditor government and are procurable only from America. Thus, however industrious or able the foreign debtor may be, however anxious to discharge the debt, he cannot do so without adequate opportunity to procure dollars.

The various methods by which a foreign debtor may procure dollars are well recognized and may be summarized as follows:

> Sales of goods or other values in America (exports).
> Work in America, part of the proceeds of which are sent back to the debtor country (emigrant remittances).
> Gifts of dollars (relief remittances).
> Services or sales to Americans abroad (tourist expenditures).
> Services to American business, principally that transacted abroad (freight, insurance, banking, brokerage and other like "invisibles").
> Payments of principal or interest on dollar loans or investments previously made by the debtor.[3]

In these limited classes of cases, the foreigner has a contact with America or Americans which enables him to derive dollars. Not only are these opportunities relatively few, but it is noteworthy that in the only two classes where the initiative rests with the debtor (exports and emigrant remittances) this initiative is, in fact, controlled by the sovereignty of the creditor nation expressed in tariff and immigrant legislation. The creditor, for perfectly proper and independent reasons, may by its policy in these matters have cut off the debtor from adequate opportunity to procure the currency by which alone the debt may be extinguished. Thus we have, in international debts, a dominating problem of exchange which may place the debtor in a situation where, with the best will in the world, he cannot procure the currency in which his debt is payable.

It is to avoid this risk that, under normal conditions, nations currently balance with each other. International dealings are virtually on a barter basis, with exchanges of goods and services of so nearly an equal value that gold shipments will suffice to make up the small differences. Only in a period of great emergency would nations permit the creation of enormous debit and

[3]These methods may be direct, or the debtor may through one or more of such means, become creditor of a third party who, through one of these methods, has secured dollar exchange which he turns over to his creditor, thus creating what is known as a "triangular" operation.

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credit balances. Such an emergency having arisen, we must realize that discharge of the resulting debts raises very difficult and abnormal problems of exchange. The debts cannot be appraised, nor the debtors judged, by the simple standards to which we are accustomed.

AVOIDANCE OF EXCHANGE PROBLEM BY PERMANENT FUNDING OF DEBT

Under modern conditions a debt may be valuable without even the probability that it can or will be extinguished. This is not true as to the indebtedness of individuals, where the debtor himself is mortal. It is true where the debtor entity is permanent. Take the case of our railroads, public utilities, municipalities and states. No one expects that the many billions of dollars of debt which they have created will be extinguished. On the contrary, in the normal course of events their indebtedness will steadily increase in the future as it has in the past. As one maturity is reached, the debt will be carried forward by a funding operation and new money will be borrowed from time to time for improvements and betterments. The result will be that as between the debtor entity and outsiders the expiry of ten years will find that as much money has come in as has gone out in dividends and interest.

A similar situation can exist between nations, and the indebtedness of one to another can assume a permanent form so that there need be no net outgo from the debtor nation. For this situation to obtain, it is required that there be re-invested in the debtor country each year sums of money approximately equivalent to the outgo in the form of dividends and interest on existing investments.

The position of Great Britain during past years will illustrate how indebtedness may be usefully perpetuated in a form which will not create any exchange problem for the debtor country. In 1854 British funds placed abroad are estimated to have been £550,000,000. In 1914, they had grown to an estimated £4,200,000,000. Now £550,000,000, with interest at 4 per cent cumulated semi-annually, will in 53 years, amount to approximately £4,200,000,000. Four per cent is taken as a rate of return as so much of the nominal rate as was in excess of this would represent insurance against loss, and was doubtless actually absorbed by losses so as to leave a net return of not more than four per cent.

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This means that the 1854 indebtedness to Great Britain from abroad with interest thereon has, in effect, been reinvested in the debtor countries. On net balance, little, if anything, has been brought back to Great Britain. From a national aspect, the return to Great Britain has been in the form of increased power through development and extension of controlled enterprises abroad and a preferential trading position obtained thereby.

In view of these examples from the realm of both domestic and international finance, we must recognize that the Allied debts cannot be dismissed as valueless even if we should conclude that the debtor nations cannot solve the exchange problem involved in procuring dollars to extinguish the debt. Under proper conditions there may be a funding whereby, in effect, we will take our payment in the form of permanent ownership and control of foreign investments. The exchange problem will be avoided, not only as to principal but also as to interest, through a periodic increase of our private foreign investments at a rate and in an amount approximately balancing interest and dividends and maturing principal on existing investments.

THE TRADE POSITION OF EUROPE AS AFFECTING ABILITY TO SECURE DOLLAR EXCHANGE

Let us now try to form a rough estimate of what are the possibilities of the Allied governments being able to solve the problem of exchange and secure the dollars necessary to extinguish their aggregate indebtedness of about $12,500,000,000 to the United States Government.

For 1921, Europe's balance with the United States was approximately as follows:

Europe sold to the United States less than she bought from the United States. On this trade balance, Europe was left owing the United States[4]	$1,600,000,000
Europe owed to private persons in the United States about $5,000,000,000 divided between funded and floating debt. For interest and commissions on this debt Europe must have required about 7% or	350,000,000
Total	$1,950,000,000

[4]Sale of securities are not included as pertaining to funding rather than extinguishment of debt. Furthermore, only direct transactions between the United States and Europe are taken into account. It does not appear that there could have been any important triangular operations, since we shipped gold to the approximate amount of our debit balances with other parts of the world.

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On the other hand:

Europe received dollars for interest and dividends on American securities which she still holds. These dollars may be estimated as approximately equal to 5% on $2,000,000,000, or	$100,000,000
There were emigrant and relief remittances estimated at about	500,000,000
Expenditures by Americans abroad were probably in the neighborhood of	150,000,000
There was also doubtless some balance in favor of Europe due to its having rendered the United States more services than were rendered by the United States in freights, banking, insurance, etc. This we will estimate at	50,000,000
Total	$800,000,000

—making receipts of dollar exchange amounting to $800,000,000 to apply against the payment of $1,950,000,000, or a net debit balance of $1,150,000,000.

While some of the figures used are not closely accurate, the result doubtless fairly reflects the situation and shows that Europe, far from having dollar exchange to apply to extinguish existing indebtedness, is in fact falling still further behind in dollar indebtedness. Before, therefore, any dollars will be available to extinguish the Treasury debts, the debtor nations must first reverse the existing situation with its enormous current balance against them.

What are the prospects of their being able to do so? By far the largest factor is exports and imports. Exports to the United States must be increased, imports from the United States must be decreased. The changes must be so great as to convert a debit balance of $1,150,000,000 into a credit balance of about $750,000,000 which would be required to pay five per cent interest and one per cent amortization on the Allied debts as they stand today.

It seems wholly unlikely that this can occur within a period of time which we can usefully attempt to forecast. During 1921 our tariff was not excessively high. It is likely to be raised and even if it is ultimately lowered again, it is incredible, whichever political party is in power, that there should not be substantial tariff protection of American industries, whether the protection is so called or denominated a revenue tariff. Thus our purchases from Europe, while they doubtless will be increased, will increase only moderately and gradually. On the other hand, it is unlikely

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that Europe can advantageously reduce much further her purchases from us, which have already been cut, in effect, to food and raw materials, essentials for life and industry. Until Russia again assumes her role of producer of raw materials, Europe must continue to buy substantially from us and, indeed, we would not have it otherwise.

Aside from exports and imports, emigrant and relief remittances are the most important item in Europe's balance with us. These will doubtless decline, particularly in view of the policy of restriction of immigration which we have adopted.

It is thus quite unlikely that Europe should, say within the next decade, reverse her present unfavorable balance with sufficient rapidity that, in this ten-year period, there will remain any net balance of dollar exchange available to apply to extinguishment of principal of, or even pay interest on, the Allied debts.

Any attempt to foresee the future beyond ten or fifteen years is largely futile. With money worth five per cent a payment postponed fifteen years loses half its value. Thus payments long deferred have little practical significance unless paid with accrued interest, which in fifteen years will double the debt and in thirty years quadruple it.

THE PRACTICAL POSSIBILITIES OF FUNDING

If our Treasury is to be paid, it is far more likely to be by a funding operation than by an actual extinguishment of the debt. Such a funding operation involves the sale for dollars by the debtor government or its nationals of securities, public or private, representing investments either in the debtor or in some other country. The operation may assume countless forms, varying from a sale of French Government bonds to the American public, to a transfer from British to American control of some South American enterprise. The essential is that an operation occur whereby dollar exchange is made available.

During the past eighteen months, operations of this character have been proceeding at a substantial rate. It is estimated that foreign securities publicly sold in the United States during the first six months of 1922 amounted to about $600,000,000. In addition, there must have been large amounts of private transfers. On the other hand, a substantial part of the public offerings represented funding operations under which no new dollar exchange became available. It would be fair to estimate the net

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amount of dollar exchange made available by these operations at between $500,000,000 and $600,000,000, or at the rate of about $1,100,000,000 per annum. This sum, large as it is and even if it all were available to Europe, would, at the moment, scarcely suffice to cover Europe's unfavorable balance of trade with us. But if we assume, as is possible though not probable, that by rigid curtailment of purchases and by a most energetic pushing of sales, Europe could balance her private transactions with us, then with the continuance of such American purchases of foreign securities a real possibility is created of the Allies funding their present debt to the Treasury, so that the Treasury would be paid off by the transformation of this debt into private foreign investments acquired by the American public.

But in order for the Allied debt to be incorporated usefully as a permanent part of our economic structure, there must be not merely a passing, but an ever increasing demand for foreign securities. We must have a situation such that any one holder can sell at his pleasure, and such that once the principal of the Allied debt is funded by various securities issued to individuals, the interest and dividends thereon, and the various maturities thereof can, at least in greatest part, be paid in dollars made available by additional American purchase of foreign securities, thus permanently avoiding the acuter problems of exchange. We must have a virtual duplication of the British situation where foreign investments of £550,000,000 in 1854 grew to £2,200,000,000 in 1914, as the result of a demand which kept foreign securities as a whole readily marketable and which kept the debtor countries supplied with sterling exchange so that interest and dividends and maturities on existing interests could at all times be paid. In our own case we start with foreign investments, public and private, of about seventeen billion five hundred million dollars (12.5 billions to Treasury, 5 billions to investors, banks, etc.). These, in the event of funding, should rise to about thirty-five billion in 1937. In other words, while each individual will receive his income in such form as he desires, we, as a nation, must forego drawing down income or principal from foreign investments. We must continuously reinvest and definitely assume the role of developing foreign countries and extending our power and influence abroad.

This is a road upon which there can be no turning back. It will accomplish no good if, in a burst of enthusiasm about the outer

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world, we buy enough foreign securities to permit the Allies to fund thereby their debts to our Treasury. We must, at least until we become a large debtor on current account, go on with our purchases of foreign securities in amounts adequate to supply dollar exchange required for return on, and maturities of, existing investments. Otherwise our exchange problem, temporarily avoided, will return to destroy the value of all the previous investments which we have made.

Such a program, however appropriate for a nation already highly developed and fully populated, may become unwise or impossible in a country which, like the United States, has vast undeveloped resources of its own. It may become impossible because the domestic opportunities for investment of capital are so many and so attractive that foreign investments cannot offer a competitive return, or, if they do offer it, they may be unable to earn it. In either event, the requisite amount of foreign securities cannot be sold on our market. It may become unwise because of our domestic opportunities being such that we owe them our first attention. It would be folly for us to arrest prematurely our own development.

If it had not been for the accident of war, we would have continued for many years to devote ourselves primarily to our own development and would even have continued to borrow foreign capital for such purposes. We already have a serious task to digest the foreign securities which we have purchased to date and to fund Europe's current unfavorable balances with us. It is unlikely that, in our present state of national development, we should suddenly develop and maintain that appetite for foreign investments which would be required for a proper funding of the Allied debts in the form of private investments abroad.

TAXATION AND INTERNAL DEBT AS AFFECTING CAPACITY OF PAYMENT

We have heretofore dealt with the problem of the payment of the Allied debts as a problem in foreign exchange to be avoided by funding or met by trade activity which will give dollar exchange to our debtors. We must not, however, overlook the grave problems of taxation which will face the debtor nations even if the exchange problems can be solved or avoided.

Taxation is the process by which the Allied governments will secure, for payment to our Treasury, the dollars acquired by their

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nationals. If a British company sells securities or a French company sells perfumery in America, they both receive dollars. But as it is sterling or francs which they want for their business they will desire to sell their dollars for sterling or francs which they can use for their ordinary business purposes. The British and French Governments must be prepared to step in at this point and buy dollar exchange. The requisite sterling or francs are only available to the debtor governments out of taxation or borrowing which involves taxation. To discharge the debts to the United States Treasury, either by complete extinguishment or by funding, will require the debtor governments still further to increase their taxes. The taxes in Great Britain (which, however, it is hoped will be adequate to provide at least partial interest payment on the debt to the American Government) seem already to have passed the limit of sound economics, and it is generally felt that they must be decidedly lowered if individual initiative and business enterprise are to be restored. Yet even with present taxes a budget deficit is probable and plans for debt amortization have had to be abandoned.

The tax rates in France and Italy are close to the maximum and, despite the impression to the contrary, they are now being actually collected. Yet the budgets of both of these countries are far from balancing and neither makes any provision for its public debts to foreign governments. If, therefore, these nations should assume to pay interest on their debts to foreign governments and gradually fund or discharge the principal, it would place them in a dilemma between taxation so severe as to defeat its own object or a repudiation of internal indebtedness designed to clear the way so that all the proceeds of taxation, other than what was required for current government operations, would be available for the foreign debt. While, in principle, it may be that foreign debts should prevail over domestic, yet it is doubtful whether, in fact, the repudiation of internal debt would facilitate the discharge of external debt. The solvency of banks, insurance companies and countless individuals and corporations depends upon the credit of the domestic government and repudiation would cause such a collapse of the whole financial structure and such economic reactions as would delay, if not destroy, the ability to solve the dollar exchange aspect of our problem, whether by funding or earnings. It is significant to note, in this connection, that although the Reparation Commission has a first lien on all

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German Government assets, it has continuously permitted the German Government to pay promptly the interest on its internal loans. This affords practical recognition of the fact that actually to assert the primacy of external obligations, and to require the repudiation of internal debt, would in fact prejudice the ability of the debtor to pay his external obligations. Thus, in considering the ability of the Allies to pay their debts to our Government, we cannot ignore the fact of their internal indebtedness nor the virtual absorbtion of their taxing power in its service.

THE POSITION OF GREAT BRITAIN

We have heretofore been considering the Allied debts collectively. Obviously the capacity of the debtor nations varies greatly and for this reason we must consider the possibilities of partial as well as of total payment.

It is generally assumed that Great Britain can immediately begin to pay interest, amounting at five per cent to about $210,000,000 per annum, and gradually discharge the principal as well.

I am inclined to feel that Great Britain can solve the foreign exchange aspects of the problem of payment. While Great Britain's adverse trade balance, represented by excess of imports for the year, August, 1921, to July, 1922, was about £190,000,000, nevertheless Great Britain still has very important invisible income in the form of charter hire, banking and brokerage commissions, insurance, etc. Also, Great Britain is supposed to retain about $15,000,000,000 of the $21,000,000,000 of foreign investments which she had in 1914. This retained portion is, however, much depreciated in value and current return. The securities sold during the war represented the cream of her investments and the balance includes large amounts which have become virtually worthless, such as investments in Russia. More important than these remaining investments is the retention of general confidence in Great Britain's financial strength and political stability, so that new issues of good English securities, or participations in British enterprises, could readily be placed in other markets. An indication of the strong exchange position of Great Britain is found in the recovery of the pound sterling from $3.18 in February, 1920, to the present quotation of about $4.46, which is less than 10 per cent below parity. This recovery occurred during a period when Great Britain was substantially reducing her dollar indebtedness to us, represented by Treasury

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bills, government bonds, etc., placed privately in this country, and repaying our Treasury for advances made under the Pittman Act. There is no reason to believe that Great Britain could not solve the dollar exchange aspect of her debt, primarily by sales of securities in the United States, and possibly as well by building up a favorable balance with certain nations which normally are our trade creditors.

For Great Britain the most serious aspect of the problem is that of taxation. British taxes should not be increased, and indeed should be decreased if her earning power is not to be dried up. It would be folly for us to require that Great Britain make payment of principal or even of interest if this will involve taxation so excessive as to destroy her economic and financial stability. This would involve us in financial losses far greater than any possible gain arising from payment to our Treasury.

LACK OF WILL TO PAY

Heretofore our discussion has been proceeding on the assumption that the Allied debts would be paid provided any methods of payment could be found. This assumption, however, is not accurate. It ignores the intangible, human factors of the problem. As a practical matter, the debts will only be paid if the debtor governments have the will to pay, and when we apply this test to our debtors we find that Great Britain alone has the slightest will to pay or the remotest intention of paying.

The British are a commercially minded people. They have a financial prestige to maintain. Not only would it be galling to their pride, but it would involve future financial injury if they were to assume any attitude other than that of willingness to discharge every financial obligation they have assumed. It may well be worth Great Britain's while to assume the great burden involved in the adjustment or funding of her debt to us on some basis which will involve at least partial payment and avoid the appearance of default. But the other debtors are not commercially minded. They have no great roles to maintain in the realm of international trade and finance. It will hurt neither their pride nor their pocketbook if they decline to pay. They themselves will be satisfied both as to their complete inability to pay and as to the inequity of their paying Allied creditors after having had to forego payments from their enemies which seem to have higher moral sanction.

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I know of no pressure which we can exert against the Allies which would serve to reverse their point of view and bring them to a really earnest desire to pay. Indeed, having in mind the undoubted economic difficulties in the way of payment, it is almost inconceivable that we should attempt to exert any serious coercion, even assuming there were means of so doing. This would involve, on the one hand, a poisoning of relations with the nations whom we need and desire as our friends, and on the other hand it would almost certainly be ineffective in securing payments. Germany during the past four years has been subjected to every pressure which ingenuity could devise. Special duties have been levied upon her exports to Allied countries; she has been required to impose export duties for the account of her creditors; part of her territory has been occupied by foreign troops and she has been repeatedly threatened with further invasion, with blockade and with seizure of the private property of her subjects. Yet it is the consensus of opinion abroad that these measures have cost the creditors far more than they have brought in, and that experience shows there is no effective method of extorting an international payment which the debtor feels, rightly or wrongly, to be beyond his capacity. There is a growing recognition that to secure an international payment so large that it can be met only by a great national effort it is necessary that the debtor regard the debt as just, that he feel that his own interests will be promoted by payment and that the amount thereof is so clearly within his means that his credit will not be destroyed during the period when he is working to discharge the debt. The debts of the Allies, except possibly that of Great Britain, fail to comply with any of these conditions. If we ask it, Great Britain will pay as much and as rapidly as she considers is consistent with her own interest. If we request payment of our other debtors, we shall be given flat refusals, couched in language of varying politeness.

CONCLUSION

If the foregoing views are in substance correct, we can conclude that, while Great Britain may make some payment, the Allied debts as a whole will never be paid. But we cannot rest at this point. The promissory notes of the Allied governments still exist; they constitute a great influence, actual and potential, in the international situation; and even if they cannot be paid in the

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ordinary sense of the word, they may still be utilized to advance our own prosperity.

With the armistice the world, or at least that part of it represented by the victors, fell prey to illusions. They dealt only in terms of billions and placed their hopes in paper schemes and paper budgets of which rows of ciphers were the distinguishing characteristic. It was regarded as a notable concession to conservatism when the amount to be paid by Germany was fixed at 132,000,000,000 gold marks. Russia was to repay not merely the indebtedness which she had contracted before the war, but the additional billions of credits extended during the war. Bulgaria, Turkey, Hungary and even Austria were counted upon for payments running into the hundreds of millions and each creditor Ally confidently expected to be repaid the billions of inter-Ally advances which it had made. There was no realization of the fact that these debts and credits merely measured the waste and devastation of a war of unparalleled intensity. Except for war, it would have been impossible to have had the vast transfers and quick consumption of economic values which are recorded by these paper entries. In time of peace the process cannot be reversed or undone. The mere attempt so to do must inevitably involve economic and financial dislocations paralleling those of war itself.

So long as these illusions prevailed, Europe failed to recover. Individual enterprise was stilled. Taxes were not paid. Budgets were not framed on the basis of real receipts and expenditures. Men had become so fascinated watching the juggling of milliards that they could not bring themselves down to the humble tasks of earning their thousands and saving their hundreds. It was impossible to attempt to stabilize exchange. Why make the effort when there impended avalanches of billions to be transferred from one nation to another with effects on exchange values which no existing resources could control? Europe was racked by efforts to infuse, even by force, some breath of life into the dry bones of these milliards which were expected to repair the losses of war without the necessity of economy and hard work.

This condition reacted with particular severity upon the commercial nations, of which we are one. We are today the world's great producer of food and raw materials. During the war we enormously increased our industrial capacity and created important markets for our manufactured goods. We were entitled

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to anticipate an era of prosperity wherein our products would be widely and largely distributed to make good the losses of war and the arrested development resulting from years of concentration upon military activity.

But no such prosperity was or is possible with world conditions such as have prevailed. What we require for our own prosperity is a Europe working and saving in order to be able to make good the losses of war. We need a cessation of the economic waste involved in maintaining great armies; a balancing of budgets which will permit of stabilized exchanges; political tranquillity that will ensure safety in financing foreign transactions.

But these conditions are impossible so long as the hopes and energies of Europe are concentrated upon mythical billions. Armies will be maintained as possible collecting agents; budgets will not be balanced because of the anticipated collections from debtor countries; political distrust and unrest will prevail as each nation seeks to avoid its own financial obligations and enforce those of others; and finally the resulting political and financial instability will discourage individual industry and frugality and breed the sharpness of unproductive traders and the wastefulness of gamblers.

That is why, with the prospect of prosperity, we have had a panic. With a vacuum to be filled, our goods have piled up in our warehouses. From a purely material standpoint it would be of inestimable value to secure conditions under which there will again be a normal movement of goods in world trade.

We now have the opportunity to take a great step toward the accomplishment of this end. It will cost us merely so much of the Allied debts as would in any event be uncollectable. For Europe is at last ready for a general settlement which will end political turmoil and introduce a period of real economic rehabilitation.

The most striking feature of the European situation of today is the willingness to clear away paper debts and credits which can never be collected, but which, by their existence, constantly disturb the political and financial situation. The Allies have avowed themselves ready to wipe out the war debts which exist between them, and France is prepared to reduce the German indemnity to modest proportions and grant, temporarily, a complete moratorium.

Let us not fall into the error of thinking that this attitude is but a clever device adopted by the Allies to avoid payment of their

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debts to us. Great Britain and France are both, on paper, creditor nations. There is owed to them far more than they owe. They would desire nothing more than to collect what is owing them and pay what they owe. But four years have shown that these paper credits are illusory. The very desperateness of their financial condition has forced these nations to test out the possibilities of payment. They have thus come face to face with reality and have developed an intelligent public opinion on these points more rapidly, perhaps, than have we who have been able to afford the luxury of nursing the illusion of payment without actually testing out its practical possibilities. It is true that the Allies will expect us to contribute to the general settlement, which is now becoming possible, by cancellation of so much of their debts as reason and experience show to be uncollectable. They do not desire this as an escape from payment. They only ask that we cancel that which in no event will be paid. But this they do ask, and regard as an essential. For the big objective, political and financial stability, will be jeopardized if one great creditor nation holds aloof and asserts the intention of repeating the experiments in collection which have, for four years past, disturbed the economic peace of the world.

What will be our response? The easy way is to let matters drift, to postpone decisive and irrevocable action. Will we thus assume the responsibility of dragging the world through more years of political and economic unrest in order to satisfy ourselves by personal experimentation that the Allied debts are, in the main, uncollectable? Or shall we avail ourselves of the present temper of Europe to effect a general settlement of the most disturbing of post-war problems? The answer will be the same whether we seek the maximum of material gain or whether we would have our nation assume leadership in world progress.

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RUSSIA AFTER GENOA AND THE HAGUE

By K

NOW that the smoke of the verbal battles between the Russian and the non-Russian participants in the last two international conferences has lifted, we can begin to estimate what results have been attained by the many weeks of earnest, not to say acrimonious, discussion between the representatives of assembled Europe. Few will deny that these results have been meagre compared with the hopes entertained at the outset. Some will even declare that no progress whatever towards a reconstruction of the world has come from these meetings of "best minds." Others will take a rosier view, but it is too early yet to reach many definite conclusions about questions with such intricate and far reaching ramifications. We can only distinguish certain immediate and obvious phenomena.

One of these is that there has been a clearing of the atmosphere. Europe may feel no nearer to seeing her way out of her difficulties, but she knows better where she stands and what are the circumstances with which she has to deal. This is particularly true in regard to Russia, the great mystery of the last four years. The Soviet republic has come out of its seclusion, it has shown itself willing, nay eager, to talk with other states. As yet it has been officially recognized by but few, but it has reassumed a position in the concert of the powers whether the others like it or not. Its present standing, its attitude and aims, should be clearly understood, for Russia is too large a part of the world to be ignored with impunity.

When in October last Chicherin sent out his first note proposing an international conference on Russian affairs and offering as a *quid pro quo* for assistance the recognition of Russian pre-war debts, not many people realized just what were the situation and reasoning of the Soviet Government. Their overture was generally regarded as the appeal of a hopeless bankrupt forced at last by desperate necessity to recognize the error of his ways and to beg for succor at the hands of those he had grievously injured. Even if we admit that there was justification for this opinion it was at best only a half truth. It was equally true that the ruling Communists had never felt more firmly on their feet than they did at that very moment, and not without reason.

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The Russian Socialist Federated Soviet Republic was just completing the fourth year of its stormy existence, during which it had had innumerable difficulties to overcome and obstacles to surmount. Although by its own admission it could count on the active support of only a minority of the population and had had arrayed against it the vast majority of those who had formerly been the leaders in every form of public life, private enterprise or intellectual activity, although it had been undermined by the plots of reactionaries, social revolutionists, even anarchists, it had survived. It had fought against Germans, English, French, Americans, Japanese, Poles, Czechoslovaks, against Cossacks and other discontented elements within led by thousands of trained officers and armed and provisioned from without; it had seen most of its territory overrun at one time or another; and yet it had emerged triumphant. By the autumn of 1921 every assault, native or foreign, had failed. Only in the Far East under Japanese protection there was still military opposition, but even there it was diminishing. Peace had been concluded with Poland and with the Baltic states, for these were alien elements in the body politic which Communist Russia let go with little apparent regret and in full conformity with her theories. She had regained control in the Caucasus, she had concluded political treaties and was on friendly terms with Persia, Afghanistan and Turkey. It is true she still professed to fear attack in the east from Japan and in the west from Poland and Rumania supported by France, her newspapers and orators still harped on the evil designs of her capitalistic foes, but such talk was chiefly intended to stimulate the patriotism of the masses and particularly of the army. In reality, never before had Soviet Russia been so free from the menace either of foreign invasion or of serious insurrection.

This last fact was not due to any marked increase in popularity of the Communist regime. There was scant evidence of anything of the sort. But all open opposition had been beaten down. Every conspiracy had been ruthlessly suppressed. The peasantry who formed the immense majority of the population no longer manifested active discontent. What they asked for was to be let alone, and the Soviet Government had learned the wisdom of respecting this wish. The remnants of the former upper and educated classes were now thoroughly cowed by the terror they had lived through. The hundreds of thousands of irreconcilable refugees abroad were innocuous and were getting more and more

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out of touch even with their like in their native land. The component parts of the loosely federated state acted together with sufficient unity of purpose and were under the same rigorous general control. Doubtless disorder still prevailed in outlying districts and little heed was paid in some regions to the writ of the central authorities, but these were but local manifestations which could be dealt with in time. Altogether, Soviet Moscow felt it had been victorious in both foreign and domestic affairs and it was as far as possible from any such sentiment as contrition.

On the other hand, there were two painful truths which the blindest adherent of Bolshevism could not deny or explain away. First, in spite of Communist propaganda, no other country as yet followed more than temporarily the Russian example; second, in Russia itself the economic situation was utterly disastrous. In the early days the hopes of the Communists had been high. The Bolshevik triumph was to be but a step in the world wide revolution which should soon extend to all lands. For a space, especially in the year 1919, the outlook was promising. In Germany the Spartacus movement threatened the existence of the new republic. At Budapest the red terror was installed by Bela Kuhn, the disciple of Lenin. At Vienna the weak government seemed likely to collapse at any moment. If this happened the example of Hungary and Austria could not but affect Rumania and Jugoslavia. Italy was reported to be full of seething discontent and should Italy raise the red flag France with her traditions of the Paris commune, the precursor of the Moscow one, must surely follow. Then the turn of England would come and sooner or later that of the United States. This was the doctrine which Communist writers and speakers (and none others were allowed) preached to thousands of eager believers throughout Soviet Russia.

But the prophecies did not come true. Every one of the supposedly tottering bourgeois governments succeeded in maintaining itself, growing stronger rather than weaker as time went on. Worse still, the regime of Bela Kuhn was quickly overthrown in Hungary, to the intense disappointment of Moscow. Of course, the certainty of the ultimate triumph of Communistic ideas everywhere was still proclaimed, but as the months followed each other that triumph began to look discouragingly remote. All the strenuous efforts of Bolshevist propaganda had produced but meagre results, and the natural consequence was a feeling of

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disillusionment and lassitude. The official tone might remain the same, the more ardent spirits might continue to dream and to plot, but the abler and harder headed men at the helm, sobered by stern experience in facing the difficulties of actual administration, had been brought to see that their first task was to make the best of conditions as they were. The capitalistic states of the world existed; they were in no hurry to come to an end; they could help Russia as well as harm her. As they now seemed disposed at least to leave her alone, was it not wisdom to stop wasting efforts on their conversion and to find out on what terms it was possible to live with them?

These arguments were reinforced by the appalling nature of the economic situation in which Soviet Russia found herself. Such a colossal catastrophe the world had never witnessed. Not only had factories and mines almost ceased to produce, but transportation had broken down; tools, clothes, shoes and other necessities of decent life were becoming unprocurable. Vast masses of peasantry with no stocks in reserve were raising but a fraction of the crops they formerly had and were concealing and hoarding what they did raise. Thus the threat of famine on a gigantic scale needed only a single bad harvest to make it become a terrific reality.

Of course it was explained that these evils were due to the sins of the former tsarist regime and to bourgeois exploitation, to war, to insurrection, to the intervention of foreign armies, to the blockade which had been instituted against the Russian labor republic by its capitalist foes, and to their continued machinations without and within. But granting all this, though these explanations had been repeated so often that the effect was beginning to wear off, the fact remained that the Communist promised land was becoming a hell on earth, not only to such of the hated bourgeoisie as still managed to survive, but to pretty much every one else within its borders. Something had to be done to remedy the situation, even if certain sacred principles of Communist theory went by the board.

Already by the end of the year 1920 the Soviet leaders and especially Lenin, who with his strange cynical frankness seems to take a positive delight in pointing out the errors which he and his have committed, had made up their minds that they must embark on a new policy. They had come to recognize that in a country where nine-tenths of the people were peasants it was

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impossible to maintain a government supported only by the factory population. It had become evident, too, that the peasants could not be won over unless they were assured not only of the practical possession of their land but of the right to dispose of its products. Experience had shown that if they were to be deprived of their surplus produce (theoretically in return for manufactured goods which the ruin of industry had rendered it impossible to supply) they would answer by raising only what food was requisite for their immediate needs. There was no escaping the conclusion that they did not appreciate the beauties of Communism and for the present at least were unteachable. Therefore, as the life of Russia depended upon them, their terms must be accepted. The system of compelling them to hand over to the state everything not needed for their own requirements and those of their families had to be given up. The government surrendered, and it was enacted that henceforth after paying a moderate tax in kind the peasant should be at liberty to sell whatever he had raised, which implied in practice a recognition of his ownership of the land.

This enactment made an irreparable breach in the system under which Soviet Russia had been administered since the winter of 1917. It meant the beginning of what was almost a new revolution, for it did not and could not stand by itself. If the peasant might own and sell, then others must be allowed to. Why should he be the only person allowed to dispose of the fruits of his labors, and if people were to sell they must also have the means to buy. The Soviet authorities had never been able really to put an end to all private trade, indeed, in the cities, they had often winked at the illicit sale of food without which there would have been much more actual starvation. They now proceeded to re-establish the right of private property and of buying and selling, the government reserving to itself only the making of regulations and also the monopoly of certain products and key industries, including export. This is the famous "new economic policy" or "strategic retreat," which was elaborated by a long series of decrees in 1921 and the first part of 1922.

Under this policy Russia has reverted to something like her former life. The markets and the business streets of Moscow are once more crowded; many shops have been opened though there is but little variety in the goods, largely second-hand, which they have to offer; tickets for railways, tramways and theatres again

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have to be paid for. All this is obviously in violation of the principles on which the Soviet republic was proclaimed and which it long tried to enforce, and the process has been watched with disapproval and alarm by the more uncompromising left wing of the Communist party, who have asked where it was to end. But the necessity of a change was so clear that it has been put through without open opposition.

But the "new economic policy" did not relate to internal affairs alone, for the need of assistance from abroad has likewise been urgent. It is true that the Soviet Government and its partisans declared that Russia, the land of boundless natural resources, was capable of recovering her prosperity unaided, yet even they did not profess that in that case her recovery could be other than a slow and painful one. If she wished to get quickly on her feet, to provide a new plant in place of what had been destroyed, to make a vast number of indispensable repairs and to procure necessary articles of many kinds, in order to set her industries going again on their former scale, not to speak of the tapping of new sources of wealth, she could do so only with the aid of a great amount of capital and that capital she could not furnish herself; she must turn to foreigners, however much she might condemn their principles. Foreign capital could be obtained only from loans or in return for concessions, foreign goods could come in only by trade and nothing of the sort could be hoped for as long as Soviet Russia remained an outcast among the nations. If she must get outside assistance from abroad, the sooner she entered into normal relations with the rest of the world the better. The capitalist states might be unregenerate but she could not afford to wait till they had learned the error of their ways. She required immediate help and as a first step to this she wanted recognition.

That this help must be paid for in some way was evident, but the Soviet leaders believed they were in a position to bargain. They too had heard the widespread cry that the peace and prosperity of the world could not be restored until Russia had been once more admitted into the comity of nations and should again contribute by her efforts and from her huge resources to the welfare of mankind. They also know that in the capitalistic countries there were men who hoped splendid things from a reopening of Russian trade. No wonder, then, that the Moscow papers asserted that "Europe needs Russia as much as Russia

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needs Europe." What they did not perhaps appreciate was that there were millions of good people all over the globe who regarded Bolsheviks as little better than wild beasts.

The Soviet Government itself was naturally well aware that it would be met at the outset of any negotiations by the question whether it was prepared to recognize the tremendous claims against it. It was ready with its reply. The claims of foreign states against Russia could be divided into two categories, first, pre-war debts, and, secondly, war debts and claims for reparation for the destruction and confiscation of foreign property. As an offset to this second class of demands the Russians could bring up their own counter claims which were even more tremendous than the claims of the Allies, or at any rate could be made so if the occasion required. And these counter claims could not be waived aside as midsummer madness. They were based on quite enough international law and precedent to offer a presentable case before an impartial tribunal, could such a one be conceived of. The Allied powers without formal declaration of war with Soviet Russia had for years not only abetted and fostered countless plots against her, and furnished openly or covertly weapons, munitions, military instructors to armed forces who were trying to overthrow her government, but had also actually sent their armies into her territory. If Great Britain had once had to pay more than fifteen million dollars damages (the case had been specially studied up in Moscow) for having allowed the *Alabama* to sail from England to prey on commerce during the American Civil War, how much did the Allied and Associated Powers owe for their continual intervention in the Russian one? To be sure, the Allies had never recognized the Soviet Government and if it had been overthrown their intervention would have been counted to them by its successor as righteousness. But it had not been overthrown. It had maintained itself and its claims could not be ignored. If the South had been victorious Great Britain would not have had to pay an indemnity for the exploits of the *Alabama*. As the North was, she did. The logic of facts has to be taken into consideration.

We need not, however, suppose that the Soviet Government has expected that its claims on this score will be satisfied. Their value consists in their capacity of being used as an offset to Allied claims for compensation or war debt. This applies to the United States as well as to Great Britain and France. Some day the

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Americans may have to charge off the couple of hundred millions Russia now owes them as war debt and put it down as part of the cost of their expeditions to Archangel and Vladivostok.

As to pre-war debts, although Soviet Russia demurred in theory at recognizing an obligation to repay sums which had served to strengthen the former oppressive autocracy and militarism, in practice she could hardly hope to obtain the new loans she so ardently desired if at the same time she calmly repudiated her old ones. Here was her chance to make a concession. While refusing to admit a moral liability for these debts, she would express a willingness to meet them, though just to what extent need not be specified but would depend on the bargain she could drive later.

The country which would profit the most by this concession was the one which had been the bitterest and most active enemy of the Bolshevik regime from the first, and was most cordially detested by Moscow in return, namely France. Her attitude was still one of uncompromising hostility, and crowned with victory she was now the predominant power on the European continent. But it was in France that by far the largest portion of Russian pre-war debt was held and that not by a few millionaires but by tens of thousands of small investors. In order to protect their interests France would have to put her pride in her pocket, forget past grievances and present antipathies and come down to business. If she continued aloof and hostile, she would be in danger of sacrificing what she had invested in the past, as well as the special opportunities now offered.

With England the situation was even simpler. English conservatives might dislike Bolshevism—and England had done much to aid the enemies of the Soviets, especially in the warfare of Denikin—but the English are a practical people who accept the decision of facts. The Soviet Government was now firmly established. As England lives by her exports, her millions of unemployed were a sufficient reason for her to make every effort to open up new markets and to re-establish old ones. Why should she not come to terms with Russia, especially as her holdings of pre-war debts were much less serious than those of France? Lloyd George had intermittently given encouragement to the idea. As early as March 16, 1921, an agreement had been concluded which not only permitted Anglo-Russian trade, but sanctioned the residence of a Russian commercial agent in London.

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So far this had not led to any particular results, but the ice was broken.

The attitude of the United States presented a peculiar problem. As the richest, most successful bourgeois capitalistic state of the day, the United States embodies the most advanced type of the form of society which Communists regard it as their chief object in life to destroy, but as it has the largest amount of available capital it is the country which can do the most to build up Russia and finally it is the one which has shown itself by far the most generous in relieving Russian distress. Whatever might be the differences in their social conceptions, the advantage to Moscow of cultivating friendly relations with Washington was indisputable. This ought not to be difficult. The Americans have the reputation of caring for the almighty dollar and here was Moscow willing to offer them special opportunities to obtain a great number of dollars by the exploitation of untapped Russian resources. Yet, strange to say, America, which had no particular quarrel with Russia, which had not been injured by the breaking of an alliance with her as had England and France, which had no conflicting ambitions and several common interests and which was showing herself such a friend in need to starving Russians, nevertheless remained coldly aloof, haughtily refusing to recognize the Soviet Government or to have any dealings with it except in dispensing charity. To be sure, President Wilson in a direct communication had urged it not to make peace with Germany and this might be regarded as a recognition of sorts, but his appeal had fallen on deaf ears, and there had been no further official intervention. Later the Bullitt mission had aroused Soviet hopes but it had led to nothing but controversy. Since then not only had the Wilson administration refused recognition but the Harding one, by Mr. Hughes' declaration of March 25, 1921, had taken an equally uncompromising stand, nay, it had gone further, for it had invited other powers to a conference in Washington to discuss questions of the Pacific and of the Far East without the participation of Russia, in flagrant disregard of the fact that she was one of those most interested in just such questions. Chicherin had protested in July and again in November in vigorous but dignified language and had declared that any decisions reached would be for her null and void. The statement that the United States would act as the "moral trustee" for Russia seemed like adding insult to injury, and it was freely asserted in Moscow that

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America at the Washington conference would try to buy concessions from the Japanese in other places by giving them a free hand in Siberia. Instead she showed she took her trusteeship seriously and did what she could to get them out of there.

Some would say that a bond was created between Soviet Russia and the United States by their similar attitude towards the League of Nations. The reasons influencing the two might not be quite the same, but the tone in regard to it of, for instance, the Boston *Transcript* differed little from that of the *Pravda*. If a common dislike draws nations together, abstention of the United States and Russia from the League should help to bring them closer to each other and to Germany.

When in the summer of 1921 in answer to the appeal of Maxim Gorki the American Relief Administration, whose president is the Secretary of Commerce, consented to enter Russia, it was hard for the Communists to believe that these bourgeois dispensers of charity were without secret political aims, and when this became self-evident it was harder still for them to understand why if the American people were willing to feed the hungry they should not be willing to do lasting good in a form that would be advantageous to themselves also by accepting the hand that was proffered them, entering into cordial relations, and taking part in the work of Russian economic regeneration. It was work, too, such as ought to appeal irresistibly to the daring imagination so characteristic of Americans, for it was not a matter of slowly building up a trade or of petty concessions but of immediate enterprises on the grandest scale with the promise of marvelous results. Why then did they hold back? Verily these Americans were strange people.

In the above reasoning there were two flaws which the rulers of the Soviet state did not, indeed could not be expected to, appreciate in their full seriousness. To begin with, in all the states with which they now wished to deal public opinion, or a large part of it, looked on them with unaffected moral reprobation, not to say actual loathing. To recognize the regime they had established was to condone crime. The tales of atrocities they had committed had shocked the civilized world; their denials and countercharges had found little credence. Their machinations and their propaganda had spread alarm everywhere and their wild rantings as well as those of their controlled newspapers about the wickedness of the bourgeoisie and the necessity of wading through blood to a

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world revolution were not calculated to win them friends in countries where the bourgeoisie and capitalists were influential, not to say dominant. Secondly, even granting that a good many people were inclined to overlook the misdeeds credited to the Bolsheviks, the question still remained, were they to be trusted? What guarantee could they offer that they would keep their word? Was it not more than likely that after they had lured foreign capital by fair promises they would so hamper its operation that it could make no profit, and when they were ready they would end by confiscating it as they had done before? Was there anything in their character or record which entitled them to be trusted? The Russian answer to this, that decrees, laws, nay whole codes were being promulgated with bewildering activity, guaranteeing all sorts of rights to foreigners as well as to natives, was not wholly convincing. The Soviet Government in its administrative routine may vie with any other in its wilderness of red tape, but it can turn out as many laws as it wants with incomparable speed. By the same token it can repeal them with equal facility. A realization of this may even have lurked in the minds of the creators of the "new economic policy."

This policy having once been decided upon for foreign as well as for domestic affairs, the next question was that of procedure. The Soviet Government, however desirous of recognition and of financial help, and however prepared to make concessions in return, did not propose to appear as a suppliant, or to give up more than it had to. It trusted to its own wits and in Chicherin it possessed a spokesman who had already proved that he could hold his own in dialectics against any opponent he encountered. He opened his campaign with his note of October 29, 1921, in which while asserting that Soviet Russia was not legally or morally bound by the debts of the former regime, nevertheless in view of her need of immediate assistance he stated she would consent to see what she could do towards meeting foreign claims. He therefore proposed that an international congress should be called which should recognize her government and devise the means necessary to bring about her economic rehabilitation.

This overture met with a chilling reception. Such replies as were received were unfavorable. But Moscow went on its way and though within its borders famine and distress became ever more grievous, its international position continued to improve. German and Norwegian trade delegations arrived in Moscow, the

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frontier with Esthonia was finally settled and a treaty was signed with Austria. The meeting of the Ninth Soviet Congress showed that there was at least no open dissension in the ranks of the faithful. Trotski's speech which was largely devoted to foreign affairs breathed confidence, and though sharp in its denunciations of the actions of certain other powers, it was not at bottom bellicose. And soon the much desired happened. On January 6, 1922, the meeting of premiers at Cannes invited Soviet Russia to attend a general European Conference at Genoa.

There was no hesitation shown about accepting and few attempts to conceal the satisfaction at what the newspapers called "our victory." A strong delegation was chosen, including in theory Lenin himself, though there can have been little serious intention of having him risk his health, not to say his life, merely to satisfy idle curiosity abroad. Chicherin was competent to conduct the Russian case, which had been carefully prepared long before. Meanwhile the making of reassuring laws continued. On February 6th the famous "Cheka," or Extraordinary Commission, whose ruthless exploits had rendered it a name of terror to millions, was formally abolished.

As a preliminary move, the Russian delegates to Genoa on their way through Riga signed an agreement with Poland, Esthonia and Latvia confirming existing treaties and promising to facilitate trade and communications between the two parties. The representatives of the other three states also officially expressed the opinion that a general recognition of the Soviet Government would be helpful to the reconstruction of Europe. In Berlin the Russian delegates carried on negotiations which were soon to have important results. All told, they were proceeding to a meeting at which they might gain a good deal and stood to lose but little, for if they could not obtain collective assistance they were confident that profiting by mutual jealousies they could make some satisfactory bargains with individual powers.

They had, however, met with one severe disappointment before they started. On March 8 Secretary Hughes definitely declined the invitation to the United States to take part in the Conference. This deprived it of half its value for Moscow. What Russia wanted was recognition and above all money. Without American recognition that of Europe was of less consequence, for only the United States was rich enough to lend on a large scale. We may well surmise, therefore, that the absence of American repre-

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sentatives seriously affected the conduct of the Russians both at Genoa and The Hague. They now felt they had less to gain by making concessions and accordingly less reason for making them. Even Lenin's defiant speech to the Congress of Metal Workers at Moscow on March 6th may have been so influenced, for by that time the American refusal could be foreseen. He declared that if need be Russia would say, "All attempts to impose upon us terms as if we were vanquished are outright nonsense to which it is not worth while to reply. We are entering into relations as merchants and we know what you owe us and we owe you, and what legitimate and even exorbitant profit you may extort from us. We have a great number of proposals, the number of agreements grows and will grow, whatever the relations between the three or four victorious powers; a postponement of this conference will be a loss for yourselves, because by postponing it you will prove to your own people that you do not know what you want and that you are suffering from disease of the will." Turning to internal politics he told his enemies, "You challenged us to a desperate fight in 1917, and in reply we took recourse to terror, and again to terror—and will use it still again if you try it again," and as for 'the new economic policy' "we can say now that this retreat as far as concessions made to the capitalists are concerned is now ended."

In Europe, on the other hand, even it would seem in government circles, there existed a widespread belief that the economic situation in Russia was such that however much her representatives might bluff and bluster at the outset, in the end they would have to submit to almost anything. It would therefore be possible, as well as desirable, to impose not only stringent terms for the repayment of old debts, but elaborate and humiliating conditions for future benefits.

We need not enter here into the story of the Genoa conference. Both sides began by putting forward their demands in extreme form—the principal Allies in the report of the preliminary conference held in London, the Russians in a memorandum they drew up in reply stating counter claims which appeared to the Allied powers utterly extravagant, not to say impertinent. In the weeks of wrangling that followed both sides made concessions but they never were near real agreement. From the first the Russians made it plain that they meant to be treated as equals, not as culprits or supplicants. They took the tone that they came

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to offer as well as to ask and in debate they did not shrink from irritating their opponents by sharp rejoinders. Yet although their demands made Europe gasp they were quite ready to bargain, indeed it sometimes seemed that there was no principle they would not sacrifice if only they could make sure of a large loan. It is not surprising that the conference ended as it did; it could hardly have done otherwise.

But if, owing to the absence of the Americans, the Russians at Genoa had not expected real financial help, they had no cause to be disappointed with the outcome of the conference. For one thing, they had found what they had long desired, a platform from which they could speak with a certainty of being listened to. They did not particularly care if they were disapproved of and stirred up anger. They had not come for sympathy but to assert themselves, and to obtain practical if not formal recognition. This they had achieved. The recognition they had won might not be friendly but it was real. To pretend not to recognize a government after arguing and trying to reach an agreement with it for long weeks, with the whole world following every move in the game, was almost ludicrous. The Soviet republic had indeed won the *de facto* recognition of Europe. It could afford to wait a while for the *de jure*, especially as thanks to American assistance the horrors of the famine were being combatted with some measure of success.

At the same time, the Russian delegates had not forgotten the other string to their bow, the opportunity for conversations with separate powers. The situation was promising. France and of late even Italy, ordinarily the faithful henchman of England, had shown themselves willing, although still theoretically at war with the Ottoman Empire, to make pacts with the Turks at Angora behind the back of their British ally. The desire of the Italians for a commercial treaty with Russia was well known and negotiations were already well under way. There was nothing to hinder the Soviet delegates at Genoa or afterwards at The Hague from dealing secretly with single states as well as openly with a number. This they proceeded to do.

On April 15th the Genoa Conference and the world were astonished by the news that Germany and Russia had just signed a formal treaty at Rapallo a few miles away. In its terms it was sound and statesmanlike. The two countries entered once more into normal relations, granting each other equal rights and

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privileges. By a particularly sensible provision all the claims each might have against the other were swept away, thus disposing of a vast mass of complicated and contentious matter, which could be handled in no other fashion without endless difficulties and possibilities of trouble. The Treaty of Versailles had recognized the right of Russia to German reparation payments. But now bygones were to be bygones. The two mighty former empires had fallen and their old quarrels were but memories. The two new and struggling republics needed the help which each could give the other.

Later history will show some day whether in the long run Russia or Germany will have profited the more by the treaty of Rapallo. At the time it was signed there is no doubt as to which gained by it. However ultimately advantageous it might be to Germany, she ran just then all the risks and paid all the penalties. She doubtless had a theoretical right to conclude the agreement, which was not unlike the one made by Poland, Esthonia and Latvia with Russia a few weeks before, but she chose the worst moment to do it. She prejudiced her case by an appearance of double-dealing, and she heightened the alarm of France, which it was her interest to allay, as well as weakened the hands of Lloyd George, on whom she depended and who was trying to do what he could for her. As a punishment for putting this spoke in the Allied wheel she had to accept the humiliation of being excluded from all further meetings in which Russian affairs were debated.

But Russia received no punishment. If she had worried England and France, why so much the better. It would make them more amenable to reason by showing them she could turn elsewhere. At the dramatic moment she had won an advantage which not only strengthened her immediate position but laid the foundation for greater things in the future.

Towards the close of the conference the news of the Shell oil concession created another sensation, though of a milder sort. The relations between the Shell Company and the British Government were enough to make the transaction interesting. Presently, too, the conference woke up to the fact that the intention of the Russians to redivide their oil districts in such a manner as to exploit them in large concessions to the best advantage, though economically wise, conflicted hopelessly with the return of oil properties to their former foreign owners. All that the Russians were willing to do was to offer not compensation but a certain

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priority in new concessions. At the last, when the conference ended without agreement, they took back all offers of any kind they had made and rested on their original positions.

When the time came for fresh attempts at accord at The Hague, the prospect was discouraging from the start. The United States had again refused to take part and the tone of the Russian delegates was not conciliatory, nor did the fact that they were long held aloof by the non-Russians and invited only to meet subcommissions improve their disposition. On the other hand they seemed ready to go on talking indefinitely, it was suspected with ulterior motives, and there was again the feeling that they might be willing to sacrifice many principles if only offered money enough. They boldly asked for a huge amount. But the uselessness of further discussion soon became so increasingly evident that the conference broke up, this time with complete acknowledgment of failure, as it made no suggestion of further meetings.

To the self denying ordinance of the non-Russians, adhered to by the United States, that they would frown upon any acquisition by their nationals of Russian concessions which included property that had once belonged to other foreigners, the Soviet Government replied soon after by granting an oil concession to Germans, Germany not having been invited to The Hague. Although this concession did not include any former foreign property the retort was unmistakable.

On June 5th a treaty was signed between Russia and Czechoslovakia. Some of the provisions are significant. Questions of indemnity or return of property are postponed. Also, although it is stated that the treaty is not meant to anticipate the recognition *de jure* of the Soviet republic, nevertheless the chiefs and two other members of the principal mission of each country in the territory of the other are to have diplomatic privileges, and local agents are to have consular ones. In other words there is recognition in all but the name.

Since the close of the Genoa Conference the attitude of Moscow has perceptibly stiffened, whether it be owing to favorable crop reports which make the Communist rulers feel more independent of outside help, as is shown in their hampering even the work of the American Relief Administration, or whether it be due to an increase of influence of the left wing of the party, thanks to the incapacitation of Lenin, or whether to some other cause. This has manifested itself in a refusal to ratify the treaty of commerce

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which Chicherin concluded with Italy just before his departure from there, and still more in the fresh contempt exhibited for the opinion of the outside world. The way in which the recent trial of social revolutionists has been conducted was enough to alienate the sympathies of all but the Communistic fraction of European and American socialists, and the treatment of the clergy accused of resistance to the law confiscating church property for famine relief has looked, in spite of the charitable purport of the measure itself, like odious religious persecution. On the credit side we note a proposition, with whatever intention, to discuss the reduction of armaments.

In her external relations, as in her internal conditions, Soviet Russia presents a changing picture. Predictions as to the future are hazardous. We can do little more than note a few salient facts and guess at certain tendencies.

In Europe Russia no longer borders on any state of the first rank, such as Germany and Austria, but on five smaller ones, Finland (which now separates her from Sweden and Norway), Esthonia, Latvia, Poland and Rumania. All of these are composed, wholly or in part, of territory which until recently was hers, or at least under her sovereignty. Today she has recognized their independence in accordance with the principles she professes, and she has been liberal in the drawing of frontier lines, notably in the case of Finland to whom she has made a pure gift of the district of Pechenga in the extreme north simply because it is of greater value to Finland, which thereby gains a port of access to the Arctic Ocean, than it is to Russia, which has plenty of sea coast on the Arctic, though nowhere else. Examples of such generosity between nations are rare. Nevertheless, Russia's European neighbors are much afraid of her. She is still far larger and possesses far more ultimate resources than all of them put together; she still maintains on paper a standing army of over a million men. They fear that her renunciation of the former borderlands of the empire may have been due only to the necessities of the moment and might be taken back at the first convenient opportunity. There are enough Communists in these states to furnish Moscow with pretexts for interfering if it wishes to do so. They are aware, also, that not only have most of the Russians in exile refused to accept the shrinkage of their country as permanent but that Soviet policy itself seems to be inspired by more nationalistic sentiment than it was a while ago. The

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example of the way Soviet governments were established with the aid of Russian soldiers in the three republics of the Caucasus is not reassuring.

On the other hand, a policy of reconquest on the part of Russia would inevitably provoke a coalition against her. Poland and Rumania are bound together by an alliance which represents a population of over forty million people and a very considerable military strength. They would have allies and they could count on much indirect assistance and perhaps active support from France. The Baltic states are far weaker and more exposed and one of them, Lithuania, from hatred of Poland leans towards Russia. In their case the danger to their independence lies not so much in their having belonged to Russia for two centuries as in the fact that they constitute her natural sea coast on the Baltic. Many wiseacres declare that it is impossible for her to do without them. One may reply that Germans have held the same views about Belgium, Holland and Denmark, and that these views are today not generally accepted. But peril is there and will continue. To meet it the Baltic republics must rely not only on their own sturdy resistance but on outside aid. Poland, for instance, can hardly leave them to their fate, even if she does not covet them for herself as she is suspected of doing. The condition of the Russian army is not of the best, especially for an offensive campaign, and the difficulties of arming, supplying and handling large masses of men would be great just now. Finally, in fairness to the Soviet Government, one must admit that in spite of rude language and non-fulfillment of some of the minor provisions of its treaties, it has shown no serious signs of deliberate intent to violate them.

With one of her neighbors Russia still has unsettled questions of such importance that under other circumstances they might easily lead to war. Profiting by the Russian revolution and the ensuing confusion, Rumania, on the ground of historical right and more or less with the consent of the inhabitants, about half of whom are Rumanians, has possessed herself of the former Russian province of Bessarabia. This annexation has never been recognized by Moscow. On the other hand, the Bolsheviks appropriated to their own use the Rumanian gold reserve which at the time of the war had been sent to Russia for greater security. Naturally Rumania claims it back. The Soviet Government probably cares no more for Bessarabia (except perhaps the

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Ukrainian part of it) than it did for other lands it has ceded, but as the Rumanian gold has long been spent and would be inconvenient to return, the obvious course to follow is to keep open the dispute. If Rumania would buy Russian recognition of the *fait accompli* by abandoning the demand for her stolen gold, Moscow would hardly object, and this may be the ultimate solution, but so far Rumania has been unwilling to accept it. Neither side, however, is ready to go to war over these questions.

The threat of an attack upon Russia herself, in her hour of weakness, by her neighbors, especially Poland and Rumania aided and abetted by France, has been a favorite theme of Bolshevik oratory. We may take it that most of this has been for popular consumption, though she has had some genuine grievances to complain of, for the territory of her neighbors has been used as a base of operations for insurrections in her own. Still, if she has entertained real apprehensions, as she seems to have, this betrays more weakness than she has usually been credited with. Some Communists may even desire foreign aggression, for it would once more rally disaffected elements to the support of the government. But these small states will hardly be foolish enough to molest their gigantic neighbor, weak as she now is, if she leaves them alone. They have already got in full the boundaries they are entitled to, and even the desire of Poland and Rumania to see a really independent Ukraine which shall serve as a buffer between them and Moscow is moderated by the knowledge that such a Ukraine would be more nationalistic in character and would demand from them their Ukrainian territories with more insistance and asperity than Moscow does.

Of the great powers France is the one whose relations with Soviet Russia are the worst and not improbably may remain so for a good while to come. Some Frenchmen, to be sure, think that it will be easier to reach an agreement by separate treaty than it has been by general international convention. They may be right, but France has much to claim from Russia and comparatively little to offer these days when she no longer has moneys to lend. This puts her at a disadvantage in negotiating with an adversary as unsentimental as the Bolsheviks. But neither country at this moment is in a position to do the other great harm. England has more to offer and fewer claims to present. She is less embittered, and is also in greater need of Russian trade and of tolerable political relations, for she is more vulnerable. Moscow has

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enough means of action in the Mohammedan and Asiatic world to make trouble for her in several countries, notably in Afghanistan and India.

Many people regard the recent treaty of Rapallo between Germany and Russia as only a first step towards closer relations and perhaps actual alliance. Some would say it existed already. There are indeed many ways in which the two countries might help one another. German industry could furnish Russia with the chief articles of which she is in pressing need; German science and technical skill could guide the upbuilding of her industries, the reopening and the administration of her mines, the construction of great public works and likewise the training of her armies, although at least Trotski would assert they are trained already. The trouble is all these benefits have to be paid for in cash—paper roubles and other forms of Soviet credit will not do—and Russia has not the cash to pay for them. Besides, though she wishes to use the Germans and has a wholesome respect for their abilities, she does not intend to put herself into their hands for exploitation. For her part she cannot give them the thing they would value most, military security. Russian armies today could not keep the French out of Berlin. Even if they could they would not be welcome. It looks, accordingly, as if Moscow and Berlin will not become intimate; but, though they have little trust in each other, they will remain on friendly terms. They have one common bond, which has helped to keep them together in the past and may again, their deep dislike for Poland.

Although in principle the foreign policy of the Soviet republic is based on internationalism and in practice is dominated by the necessities of the moment, some of the traditions of the former empire have not been forgotten. The Russia of today declares she has renounced imperialistic ambitions but that this does not mean she is indifferent to legitimate national interests even if she is not now in a position to assert them effectively. This is true of her policy both in the Near and in the Far East. She no longer menaces Turkey, indeed she is on excellent terms with the Angora Government, but she has not lost her right to be heard in questions regarding Constantinople and the Straits which will always remain of vital importance to her southern trade. She will therefore not accept as valid any international arrangements concerning them made without her participation.

The same principle holds in regard to the Far East. Russia has

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given fair warning that the agreements reached at the Washington Conference do not exist as far as she is concerned. Her right to take this stand is unquestionable but she will make no complaint if the policy of Mr. Hughes results in the evacuation of Siberia and northern Sakhalin by the Japanese, a thing she earnestly desires but is too weak to bring about unaided. At any rate, she means some day to assert herself once more in this part of the world, though she may do so in the name of the Far Eastern republic which, without being a Soviet state, is none the less in her eyes a member of the Russian Federation. If the Americans, in the meanwhile, are willing to pull her chestnuts out of the fire for her so much the better. And now Japan has just manifested a willingness to enter into conference with her.

In her future dealing with China, as with Turkey, she will have the considerable advantage that she alone of the great powers has agreed under certain conditions to surrender all claim to consular jurisdiction and other capitulations of the sort which have seemed so necessary for the protection of Europeans in the past, but which are so resented by Chinese and Turks today. She has also given back her share of the famous concession of special rights along the Manchurian railway, thereby ingratiating herself with the Chinese and making the position of the Japanese in South Manchuria more awkward.

And finally as to America, the self-appointed moral trustee, the benefactor who has dispensed such charity as no people ever before bestowed on another and at the same time the stern critic who declines to recognize the government she has been cooperating with in feeding millions of its people—what is she going to do? Her position is morally strong, for in her condemnation as in her charity she has been guided by unselfish considerations. In no other country is there more genuine horror of the Bolsheviks as men of blood without ruth or faith who have wrought a havoc unparalleled in history. Are they to be helped and comforted because they have got to the end of their rope and after limitless wanton destruction have shown themselves incapable of creating or rebuilding? Their methods are still those of brutal terror under which no one but the ruling minority can feel secure. Of what value are the promises of men whose highest aim is to subvert the very basis of the society on which our civilization is founded and who believe that every means to this end is justified? Some of these men may be honest fanatics of a dangerous kind,

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others are mere criminals. To grasp their hand in friendship is to touch pitch and be defiled.

To this some reply denying the accusations or putting much of the blame elsewhere. Still others believe that even granting the truth of the charges it does not follow that because we disapprove of the rulers of a country we should have no dealings with the people who suffer most from their rule. The progress of mankind has come through intercourse, and if we wish to aid the unfortunate millions of Russia, the way to do so is not to leave them alone or even merely to pauperize them with charity, but to help them to get to their feet again. Free communications with the outside world would be an inestimable boon to many of them. Shall we refuse to sell sorely needed farm instruments to the Russian peasants because we dislike the Moscow Soviet? To recognize the government of a country does not imply that we admire it, it is merely to take note of an existing fact. If the crimes of Sultan Abdul Hamid were not deemed a bar to American commerce and to the necessary official relations with Turkey, why should trading with Russia make us responsible for the practices of Lenin and Trotski?

But apart from ethical considerations there are other reasons which explain the hesitation felt by many governments, and notably the American, about recognizing officially the present regime. Among these is doubt as to its duration and to what may succeed it. This is no mere question of change of personnel such as has often occurred in Latin America and elsewhere, but of something much more fundamental. Today we can see four possibilities of development in the case of Russia, any one of which would be of world-wide importance and any one of which might be precipitated by the permanent disappearance from the scene of Lenin, an event which in view of the state of his health may occur at any time, if it has not occurred already. The part which he has played has been so great and the place which he has held has been so commanding that by his departure he would leave a gap difficult to fill. A struggle for power between those next in line, of whose relative strength we know almost nothing, might lead to far-reaching results.

These four obvious possibilities are, first, a counter revolution, though not necessarily in favor of monarchy, such a one as was attempted by Kolchak, Denikin, Wrangel and others. This is still the dream of hosts of Russian exiles and of an unknown pro-

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portion of the population of Russia itself. The previous attempts to bring it about have failed and there seems no particular reason for expecting that others would succeed now.

Second, the "new economic policy" may continue to spread and may take deep root, the new codes of law may supplant the arbitrary dictatorship of the proletariat, the bourgeoisie may be able to raise its head again, and the men directing the ship of state, taught by experience, may abandon in practice many of their previous theories and methods. In other words, the Russian Republic may undergo the same sort of transformation as did the first French republic after the reign of terror. Even now a few more changes would make Soviet legislation not very different from that of the other new socialistically inclined republics.

Third, there may be a reaction to the left. If, for instance, Trotski or Zinoviev succeeds to the place of Lenin, we may witness a return to the attempt to govern on purely Communistic principles accompanied by increased activity in propaganda abroad.

Fourth, even without dissension in the Communist ranks or attack from without or within, the economic condition of Soviet Russia may become so deplorable and transportation break down to such an extent that the central government will lose its control and the country fall into anarchy, breaking up into fragments, each mindful only of its own wants. How far such a process of disruption might go and whither it would lead is beyond our ken, but of this we may be sure: it would mean confusion and misery such as would stagger the imagination.

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RUSSIA TODAY

The Russian Socialist Federated Soviet Republic is a loose federation of states and more or less autonomous areas with a common customs line* and certain common organs of administration. The control of Soviet Russia proper over the other regions does not correspond exactly with the theoretical independence implied in their titles, but varies considerably according to time and circumstances. The population figures given below are mostly taken from the census of 1920, the results of which have in part been published. A few of them are from earlier estimates. The geographic divisions are, with a few exceptions, based on ethnographic principles.

A census today would probably show some startling changes. The famine has not only caused directly or indirectly great loss of life, but has led to considerable migrations. It has been particularly severe in certain districts with Asiatic populations, such as the Tartars, Bashkirs, Kalmyks and Kirgiz. There have been a number of minor changes in boundaries since the census was taken and even since the publication by the People's Commissar of Internal Affairs, on March 1, 1922, of the map reproduced on the opposite page. Numerals in the following table correspond with numerals on the map.

	Territory (Square Miles)	*Population*
INDEPENDENT REPUBLICS		
1. Soviet Russia Proper	1,290,440	65,751,898
2. Ukraine	174,510	26,001,802
3. White Russia	23,290	1,634,223
4. Azerbeijan	33,970	2,096,973
5. Armenia	15,240	1,214,391
6. Georgia	25,760	2,372,403
* Far Eastern Republic	652,740	1,811,725
** Siberia	4,210,420	9,257,825
AUTONOMOUS REPUBLICS		
7. Bashkir	40,420	1,268,132
8. Tartar	25,960	2,852,135
9. Crimea	15,060	761,600
10. Mountain Republics	17,420	808,480
11. Daghestan	13,730	798,181
12. Kirgiz	843,640	5,058,553
13. Turkestan	577,400	7,201,551
AUTONOMOUS AREAS		
14. Votiak	11,300	686,049
15. Zyrian	107,060	186,878
16. Kalmyk	38,440	126,256
17. Mari (Cheremiss)	6,040	300,069
18. Chuvash	6,720	758,161
LABOR COMMUNES		
19. Karelia	28,890	144,392
20. German Volga Commune	7,680	454,368
Total	8,166,130	131,546,045

Khiva (22), Bokhara (23) and Mongolia (24) though not in the R. S. F. S. R. have permanent agreements with it.

*The Far Eastern Republic, although it has not a Soviet form of government is regarded by Russians as belonging to the Federation. It is not yet included in the common customs frontier, but negotiations are being carried on to that end.

** The classification of Siberia is uncertain.

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FURTHER ECONOMIC CONSEQUENCES OF THE PEACE

By J. A. M. de Sanchez

AMERICA AND THE BALANCE SHEET OF EUROPE. By Bass & Moulton. New York: The Ronald Press, 1921

OU VA LA FRANCE? OU VA L'EUROPE? By J. Caillaux. Paris: Aux Editions de la Sirène, 1922

PEACELESS EUROPE. By Francesco S. Nitti. London: Cassell, 1922.

TO AMATEURS of Clio the various clichés of each succeeding generation, from the days of Laô-Tse to our own, offer insight into the means by which the world's numerous and quite extraordinarily diversified group of saviours intended that it should be saved. One common factor alone has characterized and still characterizes this group, apart from its will to save—a persistent lack of a true sense of humor. Mr. Wells and Nietzche, Comrades Lenin and Rousseau, Mr. Wilson and Savonorola are one in this respect. There have been some few exceptions, Rabelais and Swift for instance, but these have taught through satire and irony, both media distrusted by the mass of mankind in all ages. Their followers have been few and seem to have been considered ribald fellows, destined to (and no doubt achieving) a bad end.

The result of this lack of humor on the part of those who have sought to save this world of ours is more serious than may at first sight appear, for it implies the inability to see men and events in true perspective. Possibly this is why the world has not yet been saved and, if one may judge by our present day saviours, is not likely to be saved in the very immediate future. A reading of the three books here to be discussed but confirms this impression.

Mr. Keynes it is who is primarily responsible for the fact that economists have left their studies to assume the mantles of prophets and to worry us with visions of an apparently entirely new hell, but one which in reality differs from other hells only in the fact that it is said to await us immediately around the corner. Little hope for escape is held out. We must reform and do penance now. The end approaches. All this had been predicted before and man nevertheless survives. Quite so, but it has never before been predicted by economists, and they *know*.

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The leitmotif of this great symphony is the "Economic Interdependence of the Peoples of Earth." Stranger things are being said and done in the name of this new god than were ever done in the name of Liberty, poor woman.

Messrs. Bass and Moulton for instance, appear to hold that unbalanced budgets will in a short time as thoroughly destroy the economic structure of central and western Europe, as five years of Bolshevism has destroyed that of Russia. This contention is worthy of serious consideration because it conceals one of the errors which mark all three of the works here being examined.

The argument runs somewhat as follows. Since the armistice, European governments have made no real effort to adjust expenditures to income. This is not only because the task is difficult, but also because of deliberate disregard for the maxims of sound finance. The resulting rapidly mounting national debts place upon future revenues an unbearable charge for *past* services. Production is denied upkeep and renewal funds. It disintegrates, the burden of taxation can no longer be carried. Governmental bankruptcy and debt repudiation result.

First. Consider the contention that governments disregard the necessity of balanced budgets. There is very great doubt whether this statement is borne out by the facts.

Two instances at least may be cited to disprove it. In Czechoslovakia, so stringent a programme of taxation was imposed with the intention of balancing governmental income and outgo that the same economists who had been crying for just such a programme found themselves forced to denounce it as intolerably oppressive. It was discovered that the country was better able, under existing circumstances, to carry its national deficit in the form of a slowly mounting debt than to meet the governmental tax requirements. This was particularly so inasmuch as the new debt incurred could in a great measure be considered productive.

In France, where, since the armistice, the vastly greater portion of the sums spent in excess of receipts—some 125 billion francs—has been devoted to war liquidation and reconstruction, every effort has been made to compress expenditures of all kinds. War departments have been energetically eliminated. The sums required for the upkeep of the civil services have been reduced by over 4,300 million francs since 1920; those for military expenditures by over 2,500 million; and those for non-permanent Treasury accounts by 4,500 million francs. In the period during which

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these reductions were being made receipts from permanent taxes were increased from 15,000 million francs to 19,500 million francs. In addition to this effort the government ceased all recourse to bank advances as a means of procuring funds and was nevertheless able to continue to finance its reconstruction programme.

Governmental deficits in France which totaled over 51 billion francs in 1919 were reduced to 38 billion francs in 1920, to 30 billion francs in 1921 and will in all probability be further reduced to 25 billion francs in the current year. These figures are given not with the intention of proving that the situation of the French Treasury is not serious but simply to show that this fact is realized and that a real attempt has been made to ameliorate it.

Second. The resulting rapidly mounting national debts place an unbearable charge upon future revenues destined to recompense past services, thus crippling present production. This is unquestionably the case where the debt and the national income are concentrated in a few hands. Its applicability to many European states, with the exception of Germany, may be doubted. French Treasury officials claim that over 17 million French men and women hold government securities. If taxes are sufficiently equitably distributed, the burden of carrying service charges on such debts should not prove insupportable, particularly if funding operations are undertaken before exchanges return to parity. Figures for other countries are not available but as concerns the Entente powers and one or two succession states the same conditions were stated by Gide, at Genoa, to prevail in varying degree.

To fortify their case, Messrs. Bass and Moulton devote a chapter to the analysis of the foreign trade of Great Britain, France, Italy and Sweden. Those who foolishly held that European trade was improving come in for a good sound rating. Of France they say: "There has seldom been a more egregious error in the interpretation of economic data than that which finds in recent French trade figures evidence of remarkable improvement in French conditions. The collapse of French imports, which alone accounts for the favorable balance, is apparently due in part to curtailment of American export credits; but it is in the main a reflection of the world-wide business depression. All that can be said is that French imports have held up surprisingly well as compared with those of other nations."

Let us examine into the soundness of Messrs. Bass and Moulton's methods of making an "interpretation of economic

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data." In the first place the figures compared are those of the last five months of 1920 and the first six months of 1921, and they are stated in terms of *values* only. No analysis is made of the French system of computing the values of imports and exports. The figures of trade in tons, the only true indice, are not given. Definitive figures for France's trade in 1920 and 1921 are now available, and they completely disprove the contention of Messrs. Bass and Moulton that French trade conditions have not improved:

FOREIGN COMMERCE OF FRANCE FOR 1920 AND 1921

Metric Tons

	1921	*1920*
Imports		
Food Products	4,066,434	6,195,261
Raw Materials	32,448,478	41,871,777
Manufactured Goods	1,458,774	2,464,888
Totals	37,973,686	50,531,926
Exports		
Food Products	1,227,133	1,257,615
Raw Materials	12,858,481	9,709,081
Manufactured Goods	1,890,778	1,865,215
Postal Parcels	25,036	23,327
Totals	16,001,428	12,855,238

MERCHANDISE IMPORTS AND EXPORTS (SPECIAL TRADE) OF FRANCE, 1920 DEFINITIVE FIGURES, 1921 FIGURES ON BASIS OF 1919 OFFICIAL VALUATIONS

Millions of Francs

	1921	*1920*
Imports		
Food Products	6,205	11,874
Raw Materials	12,398	25,156
Manufactured Goods	4,945	12,873
Totals	23,548	49,903
Exports		
Food Products	1,932	2,612
Raw Materials	5,558	6,113
Manufactured Goods	12,809	16,962
Postal Parcels	1,253	1,206
Totals	21,552	26,893

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The collapse of imports amounting to 12,500,000 tons, of which so much is made, was principally due to reduced imports of coal, 8,000,000 tons, gasoline, 1,400,000 tons, and foodstuffs about 1,000,000 tons. The reduction of coal imports, principally from Great Britain and America, was not due to greatly reduced needs, but to surplus stocks accumulated at the end of 1920 and to an increase of over 4,000,000 tons in French production. Reduced imports of gasoline were due apparently to a curtailment of motorist demand and to the growing use of Mazout as a substitute for fuel oil. Food imports were reduced because of the good crops of 1920.

Turning to exports, it will be seen that they increased by over 3,000,000 tons, principally due to increased production and sale of iron ore, steel and raw chemicals. If the volume figures for 1921 be compared with those of 1913, it will be found that both exports and imports have fallen about 6,000,000 tons below the levels of that year—the falling off on the one hand being almost wholly due to reduced imports of coal and on the other hand to a reduction of exports of iron ore, foodstuffs and coal. Exports of manufactured goods almost equaled in volume those of 1913.

Examination of the trade figures in terms solely of values offers no real basis for conclusions such as those of Messrs. Bass and Moulton. Prices in France have declined violently since June, 1920; their fluctuation is even now considerable. A glance at a table of price indices ought to be sufficient proof of this fact, even for economists with a mission. What is this mission? Its grand lines were laid down by Mr. Keynes in the closing chapters of his "The Economic Consequences of the Peace": reduction of the reparations bill, cancellation of inter-Allied indebtedness, abolition of economic frontiers, unification of Central Europe under German tutelage, all to be combined with a good scolding for the naughty and sceptical French. Messrs. Bass and Moulton do not stray far from the road indicated by Mr. Keynes. They have his same obsessions, they view the situation through American-made glasses but they see it in the same light. So far the only part of the program to be realized is that which has to do with the scolding of the French; this has been carried on with great gusto. Has it helped much towards a solution?

M. Caillaux is also busily engaged in scolding the French, apparently principally because they were unprepared to follow him to the peace and prosperity to which he was quite prepared to

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lead them. His book deals in generalized terms with the events which led to the debacle of 1914. He believes that economic combinations in all countries were fundamentally to blame for the war —free trade would have made war impossible. Therefore free trade, the cancellation of inter-Allied debts, the reduction of reparations, and, most important of all, a return to the Presidence du Conseil of M. Caillaux, with all that such an event implies, will set the world on the right road.

Caillaux again Prémier Ministre! It is not at all impossible. A very few years and it may be probable. Caillaux, with all his faults, has one of the best minds in Europe. He is practical, he understands the Germans. He is the hope of the radicaux and, the radicaux-socialistes. He appears to realize that no economic settlement in Europe is possible without a *political* settlement first. He understands the futility of seeking to re-establish the Central Europe of 1914, though he condemns the succession states as constituted by the Versailles Treaty. He sees a way out of the impasse which exists: a Franco-German entente. He sees the difficulties in the way of its realization but believes that he can surmount them. His faith in himself is robust. It is a pity that he no more than hints at the necessary conditions of such an entente. They are many and complex, and can only be briefly and incompletely stated. From the French viewpoint they are: the firm establishment of republican sentiment throughout Germany; some real show of willingness on Germany's part to make good, in as great a measure as possible, the material damage she did; a more cordial acceptance by Germany of Poland and certain of the Little Entente powers as political entities, which the French believe are destined to endure, economists notwithstanding.

The German requirements for such an entente are more difficult to divine but they would probably include: the scaling down of the reparations bill, the evacuation of the Rhine bridgeheads, and a stopping of the silly attempts to cause the Rhine provinces and Bavaria to secede from the Germanic confederation. People of importance in both France and Germany are working quietly towards the realization of these conditions; in the rather sentimental common sense of the Germans and the present disillusionment of the French lies, perhaps, their best hope of success.

Sig. Nitti's is in some ways more interesting a work than those

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of Messrs. Bass and Moulton or M. Caillaux. It is certainly more self-revealing. Sig. Nitti is deeply imbued with the cultural superiority of the Germans over their neighbors to the east and southeast. He bewails the freeing of the Poles, the Czechs, the Slovenes, the Croats from the benevolent tutelage of the Teuton. Shades of Cavour and Mazzini! What wonders have steam and electricity not wrought! In his enthusiasm for Germany Sig. Nitti is led into making the statement that the Treaty of Versailles has caused more harm than did four years of war. This view has at least the merit of originality. The chief blame for the treaty he, of course, places on France. Mr. Lloyd George has recanted and done penance, let him be absolved of blame. The French have no coal to sell and no money to loan—they are a much safer target. In the midst of one of his paens of praise for Germany, Sig. Nitti stops for a moment to visualize a peace treaty dictated by her. His conclusion is not without interest. He says: "If Germany had won the war—Germany, to whom we have always attributed the worst possible intentions—what could it have done that the Entente has not done? It is possible that, as it is gifted with more practical common sense, it might have laid down less impossible conditions in order to gain a secure advantage without ruining the conquered countries."

The basis of Sig. Nitti's indictment of the Versailles Treaty is that it violates at every turn the Fourteen Points, which he deems a guarantee offered Germany if she would make peace. This argument is not original with him and he makes less telling use of it than others have made. It is open to attack from two angles because it presupposes, first, that Germany need not and would not have asked for an armistice except that she considered herself guaranteed by the Fourteen Points against the major consequences of a military defeat; second, that the essence of the Fourteen Points was violated by the Versailles Treaty.

In regard to the first count, Ludendorff makes it abundantly clear that after the capture of the Quéant-Drocourt Switch by the Canadian Corps the situation of the German armies in France was critical, and this not only because of the discouragement of the German people, but because of the manifest strategical superiority of the position of the Allied armies. He was on both accounts unable to undertake a grand retreat to the Rhine. He could either be overwhelmed where he stood or ask an armistice. He decided, naturally, on the latter course. A peg was then sought on

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which to hang this request. The Fourteen Points were at hand and served the purpose admirably. But they had been at hand since January. Why it took so long to discern their value as the basis for the just and equitable peace which Sig. Nitti is sure was all Germany sought is a question which has not yet been answered.

On count two Sig. Nitti makes a long list of what he considers violations of the principles of the Fourteen Points. His arguments are not in general convincing and he further weakens them by curiously overlooking essential facts. For instance, he considers the return of Alsace-Lorraine to France free from all public debt incumbrances to have been a flagrant injustice, but he does not mention the fact that Germany did not assume Alsace-Lorraine's share of the French public debt in 1870. In another instance, he makes much of the "gift" to France without any *quid pro quo* of the Sarre Mines, but he apparently has forgotten the very clear repurchase clauses of this section of the treaty. In dealing with the purely economic clauses of the treaty, Sig. Nitti concentrates his attack on the very principle of reparations. Here again he weakens a case which, if he had been content to use the inclusion of the pensions item in the total reparations bill as his main point, would have been unanswerable.

Analyzing the reparation demands made by France, Sig. Nitti gets himself into a tangle. He seeks to demonstrate the absurdity of M. Loucheur's estimate of 75 billion francs as the sum required to complete the physical reconstruction of Northern France. This is how he does it: "The value of land in France was calculated before the war at between 62 and 78 milliards; the value of buildings, according to the *Annuaire Statistique de la France*, at 59½ milliards. The territory occupied by the Germans is not more than a tenth of the national territory. Even taking into consideration the loss of industrial buildings, it is very difficult to arrive at the figure of 15 milliards." Sig. Nitti is speaking in terms of gold francs and he does not point out that M. Loucheur was speaking in terms of francs two-thirds depreciated from gold parity. Further, he fails to mention some 5,000 kilometers of railroads destroyed, together with over 750 bridges and tunnels. He forgets, or possibly he does not know, that 70 per cent of *all* the industrial establishments in France employing over 20 men were concentrated in the devastated regions. This example of his economic reasoning is typical of his brief against the reparations section of the treaty.

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In spite of Sig. Nitti, it is still clear that with the exception of the indefensible pensions item of the reparations bill, the Versailles Treaty follows, with only minor aberrations, the ill-defined statement of principles which is called the Fourteen Points.

Sig. Nitti closes his book with a chapter devoted to a statement of what he considers the essentials of European peace. The chief of these are: the revision of the treaty, to be undertaken by a revised League of Nations (Articles 5 and 10 to be changed in some way not clearly defined), with Russia and Germany admitted to full membership; the abolition of the Reparations Commission, its functions to be assumed by the League; the reduction of the indemnity to between 25 and 30 billion gold marks; the cancellation of the inter-Allied and Russian debts; finally, after these aims are all realized, Great Britain and Italy are to guaranty France against German aggression for a period of twenty years. The sting, you see, is in the tail. After recent experiences with granting concessions in return for promised guarantees, it is safe to predict that the French, without whose cooperation (and that of America) this whole program is but talk, will this time, in the words of M. Briand, go "*vite plus lentement.*"

The Nitti proposals would require very considerable concessions from France, America and Great Britain, but, as in the past, principally from France. France's victory has cost her much, but that is no reason for not asking her to give up more, even the measure of security she claims under the right the Versailles Treaty gives her to occupy the Rhine bridgeheads. She should abandon the major portion of her claim to reparations, annul, in the interests of mankind, the debt Russia owes her, but at the same time pay her debt to England and America, presumably also in the interests of mankind.

Messrs. Bass and Moulton, Nitti and to a lesser extent Caillaux, in their preoccupation with matters economic, have lost sight of the very crux of the whole European problem, which is predominantly political—the fact that no solution is possible without a France made safe against future invasion and assured of reparations (in the true sense of the word) in the greatest measure possible. She believes the Versailles Treaty guarantees her the means of obtaining both these essentials. Until some at least equally satisfactory substitute is offered her it is a waste of time to ask her to abandon it, particularly on economic grounds. It is often disagreeable to think of things as they are, not as they

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should be, but the fact is that France is more interested in her future security than she is in the world's supposed economic rush to ruin.

From many angles, the stand she takes seems a harsh one; it is, but it is based on a harsh fact, the fact that charity begins at home. Her friends have not been loath to apply this principle and should the more easily understand her doing so. Not until they are willing to acknowledge the facts behind her stand can a lasting peace be established in Europe.

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SOME RECENT BOOKS ON INTERNATIONAL AFFAIRS

By Harry Elmer Barnes

General International Relations

INTERNATIONAL RELATIONS. By James Bryce. New York: Macmillan, 1922, 275 pp.

Williamstown Institute Lectures. Mature reflective generalizations on the chief problems in international relations and on the leading proposals for their solution.

AN INTRODUCTION TO WORLD POLITICS. By H. A. Gibbons. New York: Century, 1922, 595 pp.

A general historical introduction to modern imperialism and international relations, with especial attention to the period since 1895. A well written text-book.

AN INTRODUCTION TO THE STUDY OF INTERNATIONAL ORGANIZATION. By Pitman B. Potter. New York: Century, 1922, 647 pp.

A comprehensive history and analysis of the machinery and procedure in modern international relations, including diplomacy, treaties, arbitration, international administration, conferences, federations, and the League of Nations.

MANUAL OF COLLECTIONS OF TREATIES AND OF COLLECTIONS RELATING TO TREATIES. By Denys P. Myers. Cambridge: Harvard University Press, 1922, 685 pp.

A monumental compilation and valuable guide.

SECRET DIPLOMACY. By P. S. Reinsch. New York: Harcourt, 1922, 231 pp.

The author discusses the problem of the reconciling publicity and democratic control in diplomacy with expert direction and continuity in diplomatic practice.

THE NEW WORLD: PROBLEMS IN POLITICAL GEOGRAPHY. By Isaiah Bowman. Yonkers: World Book Company, 1921, 632 pp.

The most important descriptive work which has yet appeared on the post-war world. A useful compilation of discriminatingly selected data, with especial stress on geography.

WASHINGTON AND THE RIDDLE OF PEACE. By H. G. Wells. New York: Macmillan, 1922, 312 pp.

Chiefly Mr. Wells' ideas on current international relations. Critical of French motives and policies.

Foreign Relations of the United States

LEADING AMERICAN TREATIES. By C. E. Hill. New York: Macmillan, 1922, 399 pp.

A useful and reliable historical compendium.

THE CONDUCT OF AMERICAN FOREIGN RELATIONS. By J. M. Matthews. New York: Century, 1922, 353 pp.

A thoroughly scholarly analysis of the legislative and administrative organs involved in our relations with other states.

SHALL IT BE AGAIN? By J. K. Turner. New York: Huebsch, 1922, 448 pp.

A striking challenge to conventional views regarding the motive of the United States in entering the World War. It ascribes American intervention chiefly to pressure from Wall Street.

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WOODROW WILSON AND THE WORLD WAR. By Charles Seymour. New Haven: Yale University Press, 1922, 383 pp.

An important volume in the *Chronicles of America* Series. The most authoritative statement of the conventional view. It should be compared with Turner.

Europe

WELTGESCHICHTE DER LETZTEN HUNDERT JAHRE, 1815–1920. By E. Fueter. Zurich: Schulthess, 1921, 674 pp.

Perhaps the best general historical introduction to modern European problems and international relations. An English translation by Professor S. B. Fay is announced by Harcourt.

DIE GROSSE POLITIK DER EUROPÄISCHEN KABINETTE, 1871–1914: SAMMLUNG DER DIPLOMATISCHEN AKTEN DES AUSWÄRTIGEN AMTES. Edited by J. Lepsius, A. M. Bartholdy, and F. Thimme. Berlin: Verlagsgesellschaft für Politik und Geschichte, 1922, six volumes.

The first installment of a monumental and significant compilation of the diplomatic documents in the German Foreign Office. It will compel an extensive revision of the diplomatic history of Europe since 1870. The first six volumes embody the documents down to 1890.

UN LIVRE NOIR: DIPLOMATIE D'AVANT GUERRE D'APRES LES DOCUMENTS DES ARCHIVES RUSSES. Preface by René Marchand (Tome I, 1910–12). Paris: Librairie du Travail, 1922, 374 pp.

A very significant work based on recent research in Russian archives. It is important for secret Russo-French relations.

KAISERLICHE KATASTROPHEN-POLITIK. By H. Kanner. Leipsig: Tal, 1922, 468 pp.

It attributes to Austria the major responsibility for bringing on the war of 1914, especially condemning Austrian militarists and chauvinists.

INTERNATIONAL FINANCE AND ITS REORGANIZATION. By E. M. Friedman. New York: Dutton, 1922, 702 pp.

A thorough compilation of data relating to the financial aspects of the War and Peace of Versailles.

A REVISION OF THE TREATY. By J. M. Keynes. New York: Harcourt, 1922, 242 pp.

A sequel to *The Economic Consequences of the Peace*. It describes how events have vindicated the latter, and suggests a mode of solving the reparations problem.

THE BALANCE SHEET OF EUROPE. By Bass and Moulton. New York: Ronald Press, 1922, 367 pp.

An objective study of the facts of the economic situation in Europe, with particular emphasis on the reparations problem.

WHAT NEXT IN EUROPE? By Frank Vanderlip. New York: Harcourt, 1922, 308 pp.

A somewhat optimistic inventory of contemporary Europe. It advocates devoting the Allied indebtedness to America to the aid of near-bankrupt European states.

EUROPE IN CONVALESCENCE. By Alfred E. Zimmern. New York: Putnam's, 1922, 237 pp.

A notable book analyzing the effect of the events of the last decade upon the politics, economic life, culture and psychology of Europe.

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OU VA LA FRANCE? OU VA L'EUROPE? By Joseph Caillaux. Paris: Editions de la Sirène, 1922, 287 pp.

The program of the leader of the French Radicals moderately expressed.

L'EUROPA SENZA PACE. By Francesco S. Nitti. Florence, 1921. English edition, London: Cassell and Co., 1922, 281 pp.

The former Italian premier presents his case for Italy's return to Crispi's policy of thorough-going partnership with the Germanic states.

KIEL ET TANGER, ET LA REPUBLIQUE FRANCAISE DEVANT L'EUROPE. By Charles Maurras. Paris: Nouvelle Librairie Nationale, 1921.

French diplomatic policy during the past half century interpreted to support royalist theories of government.

THE POMP OF POWER. Anonymous. New York: Doran, 1922. 360 pp.

One more volume on war and politics for those who delight in "inside" history, and especially in guessing at the name of the author. It is well written, judicial in tone, and apparently (more is not necessary) well informed.

A HISTORY OF THE PEACE CONFERENCE OF PARIS. By H. W. V. Temperly. London: Frowde and Hodder and Stoughton, 1921, Vols. IV–V, 528 and 483 pp.

A continuation of the standard history of the work of the Peace Conference. Vol. IV treats of the disintegration of the Dual Monarchy and the rise of the new states which succeeded it. Vol. V deals with the economic clauses of the Treaties, and the provisions for the protection of minorities. The quality of its chapters is uneven.

SECOND YEAR BOOK OF THE LEAGUE OF NATIONS. By C. H. Levermore. Brooklyn: Daily Eagle Press, 1922.

Continuing the author's excellent survey of the organization of the League and its operations.

COMPARATIVE TABLES OF HISTORICAL EVENTS FROM 1878 TO THE OUTBREAK OF THE WAR IN 1914. By William Hohenzollern. Leipzig: Koehler, 1922.

An apologia by means of a revival of the historical methods of Eusebius' *Chronicle*.

HISTOIRE DES VIOLATIONS DU TRAITÉ DE PAIX. By Dr. Lucien-Graux. Paris: Crès, 1921, Vol. I, 384 pp.

The first volume of an important pro-French work.

THE ORIGINS OF THE WAR. By R. Poincaré. London: Averell, 1922.

The French Premier's account.

LA CRISE DES ALLIANCES. By A. Fabre-Luce. Paris: Société d'Etudes et d'Information Economiques, 1922.

An account of Franco-British relations from 1909–1922. An interesting discussion of the decay of the *Entente Cordiale*.

LE FOND D'UNE QUERELLE: DOCUMENTS INÉDITS SUR LES RELATIONS FRANCO-ITALIENNES, 1914–21. By C. Sabini. Paris: Grasset, 1921.

A collection of documents on an interesting subject.

DEUTSCHLAND'S AUSSENPOLITIK VON BISMARCK'S ABGANG BIS ZUM ENDE DES WELTKRIEGES. By Veit Valentin. Berlin: Deutsche Verlagsgesellschaft für Politik und Geschichte, 1921, 418 pp.

The most important German summary of the war and its diplomatic background which has yet appeared. Relatively objective and impartial.

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DIPLOMACY AND WAR. By Count Julius Andrassy. London: Bale and Danielson, 1921, 323 pp.

These important memoirs constitute a frank defense of the policies of the central European powers and a denunciation of democratic tendencies.

DER UNTERGANG DER DONAU-MONARCHIE. By Baron J. von Szilassy. Berlin: Berger, 1921, 425 pp.

The author assigns responsibility for the war to the general prevalence of militarism and chauvinism in Europe, though denouncing the militaristic and nationalistic elements in Austria-Hungary for precipitating it. The study is most valuable for its revelation of much new material on the relation of Berchtold to Serbian policy.

DOCUMENTS ALLEMANDS RELATIFS A L'ORIGINE DE LA GUERRE. Paris: Costes, 1922, four volumes. 339, 243, 217, 256 pp.

A French translation of the important Kautsky documents.

THE SECRET TREATIES OF AUSTRIA-HUNGARY, 1879–1914. By A. F. Pribram (English edition by A. C. Coolidge). Cambridge: Harvard University Press, 1921–1922, two vols., 308 and 271 pp.

A collection of importance.

RUSSIAN FOREIGN RELATIONS DURING THE LAST HALF CENTURY. By Baron S. A. Korf. New York: Macmillan, 1922, 227 pp.

Scholarly but conventional.

RUSSIA, TODAY AND TOMORROW. By P. N. Miliukov. New York: Macmillan, 1922, 392 pp.

An analysis of contemporary Russian problems by the leader of the Constitutional Democratic party.

THE NEW POLICIES OF SOVIET RUSSIA. By Lenin, Bukharin and Rutgers. Chicago: Kerr, 1922, 127 pp.

Authoritative apologia.

PROBLEMI DI POLITICA NAZIONALE. By A. Caroncini. Bari: Laterza, 1921, 304 pp.

A collection of articles published in reviews on various phases of Italian policy.

LA TCHÉCO-SLOVAQUIE. By L. Eisenmann. Paris: Rieder, 1921.

Probably the best work available on Czechoslovakia.

GREATER RUMANIA. By C. U. Clark. New York: Dodd, Mead & Co., 1922, 477 pp.

An uncritical account of the geography, peoples, resources and recent history of Rumania. Distinctly pro-Rumanian.

LE ROYAUME DES SERBES, CROATES ET SLOVENES. By A. Mousset. Paris: Bossard, 1921, 316 pp.

The best work which has yet appeared on the Jugoslav state.

THE NEW MASTERS OF THE BALTIC. By Arthur Ruhl. New York: Dutton, 1921, 239 pp.

An interesting work on the new Baltic states.

L'ESPAGNE VIVANTE. By E. Joliclerc. Paris: Roger, 1921.

The best recent book on Spain.

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The British Empire

A SHORT HISTORY OF BRITISH EXPANSION. By J. A. Williamson. London: Macmillan, 1922, 647 pp.

A serious historical work.

THE WAR GOVERNMENT OF THE BRITISH DOMINIONS. By A. B. Keith. Oxford: Clarendon Press, 1921, 353 pp.

One of the early volumes of the great Carnegie Endowment Social and Economic History of the War.

THE FUTURE OF THE INDO-BRITISH COMMONWEALTH. By J. C. Wedgwood. London: Theos. Publishing House, 1922.

An anaysis of contemporary issues by a well-known radical.

THE CRUMBLING OF AN EMPIRE. London: Indo-British Association, 1922, 100 pp.

Severe and well-documented indictment of British policy in India since 1916.

The Near East

NEAR EASTERN AFFAIRS AND CONDITIONS. By S. Panaretoff. New York: Macmillan, 1922, 216 pp.

An exposition of Balkan history, politics and diplomacy from the standpoint of a scholarly Bulgarian.

LE KEMALISME DEVANT LES ALLIES. By Michel Paillares. Constantinople: Edition du *Bosphore*, Pera, 1922, 488 pp.

A Grecophile account of the Turkish Nationalist movement from 1919 to 1922.

DIPLOMATIE ET PRESSE DANS L'AFFAIRE GRECQUE. By S. Cosmin. Paris: Société Mutuelle d'Edition, 1921, 313 pp.

The story of events in Greece during the war expounded by a partisan of King Constantine.

THE TURK AND EUROPE. By G. Gaillard. London: Murby, 1922, 408 pp.

A translation of an important work.

Africa

L'AFRIQUE ET LA PAIX DE VERSAILLES. By E. Antonelli. Paris: Grasset, 1921, 258 pp.

A sketch of European colonial possessions in Africa in 1914, with a brief account of the war in Africa and the redisposition of African territory at the Peace Conference.

LA RÉVOLUTION ÉGYPTIENNE. By M. Labry. Paris: J. Vrin, 1922, 277 pp.

An important work from the standpoint of a scholarly Egyptian nationalist.

THE DUAL MANDATES IN BRITISH TROPICAL AFRICA. By F. D. Lugard. London: Blackwood, 1922.

A fair discussion of social, economic and cultural, as well as administrative and diplomatic problems.

The Far East

ASIA AT THE CROSSROADS. By E. A. Powell. New York: Century, 1922, 369 pp.

A journalistic sketch of contemporary civilization and international problems in Japan, Korea, China and Philippines. Good popular introductory treatment.

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THE PACIFIC TRIANGLE. By Sydney Greenbie. New York: Century, 1922, 402 pp.

A breezy survey of the geography, culture and problems of international relations in Australasia, China and Japan. The best section is that on Japan.

THE PROBLEM OF THE PACIFIC IN THE NINETEENTH CENTURY. By N. Golovin. London: Glydendal, 1922, 256 pp.

This volume treats chiefly of military and naval problems, assuming Japanese aggression as inevitable owing to the increase in population. Japan can be checked, the author believes, only by the United States in alliance with regenerated Russia and China. It denounces the Washington Conference.

TRADING WITH ASIA. By F. R. Eldridge. New York: Appleton, 1921, 474 pp.

An important work on the resources, commerce and commercial policies of the Philippines and Eastern Asia.

THE WASHINGTON CONFERENCE. By R. L. Buell. New York: Appleton, 1922, 461 pp.

The best general account of the Washington Conference to date. The author believes Chinese aspirations were defeated.

LA CONFERENCIA DE WASHINGTON Y EL PROBLEMA DEL PACIFICO. By A. Révész. Madrid: Biblioteca Internacional, 1922.

The Spanish view of the Conference and of diplomatic problems in the Pacific. It predicts an ultimate yellow alliance against the whites.

JAPAN AND THE UNITED STATES. By P. J. Treat. Boston: Houghton, Mifflin, 1922, 283 pp.

An authoritative history of Japanese-American relations since 1853, pro-Japanese in its treatment of contemporary problems in the Far East.

JAPAN'S PACIFIC POLICY. By K. K. Kawakami. New York: Dutton, 1922, 380 pp.

A moderate apologia for Japanese policies at the Washington Conference, indicating their historic and diplomatic background. It contains reprints of useful documents.

LA CHINE ET LE JAPON POLITIQUES. By F. Challaye. Paris: Alcan, 1921, 323 pp.

A substantial work, strongest on Japan.

HISTOIRE GÉNÉRALE DE LA CHINE. By Henri Cordier. Paris: Geuthner, 1921, four vols., 574, 434, 428, 427 pp.

The most comprehensive and reliable history of China in any language, written by the foremost French authority on Chinese history.

CHINA AT THE CONFERENCE. By W. W. Willoughby. Baltimore: Johns Hopkins University Press, 1922, 419 pp.

By far the most valuable and authoritative presentation of Chinese problems at the Conference. The author was a technical adviser to the Chinese delegation.

RUSSIA IN THE FAR EAST. By L. Pasvolsky. New York: Macmillan, 1922, 181 pp.

Important for the pre-revolutionary period, but naïve and uncritical in dealing with events since 1917.

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ELECTRONIC REPRODUCTION PROHIBITED

THE OUTLOOK FOR THE PHILIPPINES. By C. E. Russell. New York: Century, 1922, 411 pp.

The best recent book on the Philippines. It sketches Filipino achievements and favors an early grant of self-government.

Latin America

GUIDE TO LATIN AMERICAN HISTORY. By H. L. Hoskins. Boston: Heath, 1922, 121 pp.

A useful syllabus and bibliography limited to books in English.

INDUSTRIAL AND COMMERCIAL SOUTH AMERICA. By Annie S. Peck. New York: Dutton, 1922, 509 pp.

LOS ESTADOS UNIDOS CONTRA LA LIBERTAD. By I. Fabella. Barcelona: Talleres Gráficos Lux, 1921, 312 pp.

A vigorous indictment of the policies of the Unitd States towards Latin America.

MEXICO AND ITS RECONSTRUCTION. By Chester Lloyd Jones. New York: Appleton, 1922, 330 pp.

Perhaps the most important recent work on Mexico.

THE PUBLIC FINANCE OF MEXICO. By W. F. McCaleb. New York: Harpers, 1922, 268 pp.

An informing and accurate piece of work.

THE MEXICAN MIND. By Wallace Thompson. Boston: Little, Brown, 1922, 303 pp.

An interesting, untechnical study of the psychology of the Mexican people.

Miscellaneous

THE REVOLT AGAINST CIVILIZATION. By Lothrop Stoddard. New York: Scribner's, 1922, 274 pp.

Historical, biological and psychological arguments for capitalism and aristocracy. A defensible thesis buried under a mass of specific errors.

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SOURCE MATERIAL

I

PUBLIC DOCUMENTS OFFICIALLY PRINTED

By Denys P. Myers

This department is continued from *The Journal of International Relations.*

Documents may be procured from the following: United States, Government Printing Office, Washington; Great Britain, P. S. King & Son, 2 and 4 Great Smith St., London, S. W. 1; France, Librairie Terquem, 1 rue Scribe, Paris; League of Nations, World Peace Foundation, 40 Mt. Vernon St., Boston; International Labor Office, World Peace Foundation. For other countries no special references can be given.

ARBITRATION

NORWAY-UNITED STATES. Agreement between the United States and Norway for the submission to arbitration of certain claims of Norwegian subjects. Signed at Washington, June 30, 1921. Washington, Government Printing Office, 1921. 5 p. 23½ cm. (Treaty Series, No. 654.)

FRANCE-PERU. Compromis, protocoles des séances et sentence du Tribunal d'arbitrage constitué en vertu du compromis signé à Lima le 2 février 1914 entre la France et le Pérou. Différend au sujet de diverses réclamations de citoyens français contre le Pérou. La Haye, Van Langenhuysen frères, 1921. 20 p. 33½ cm. (At head of title: Bureau international de la Cour permanente d'arbitrage.)

Decision dated October 11, 1921.

TUBANTIA INQUIRY. Rapport. . . . de la Commission internationale d'enquête concernant la perte du vapeur néerlandais "Tubantia." (La Haye, 1922.) 8 p. 33½ cm. (At head of title: Cour permanente d'arbitrage de La Haye.)

Rendered February 27, 1922.

PERMANENT COURT OF ARBITRATION. Rapport du Conseil administratif de la Cour permanente d'arbitrage sur les travaux de la Cour, sur le fonctionnement des services administratifs et sur les dépenses de l'exercice 1921. Vingt et unième année. La Haye, Van Langenhuysen frères, 1922. 57 p. 32½ cm.

TRAITES GENERAUX D'ARBITRAGE communiqués au Bureau international de la Cour permanente d'arbitrage. La Haye, Van Langenhuysen frères, 1911–21. 3 vols. 33½ cm.

1. Série, 1911; 2. Série, 1914; 3. Série, 1921.

BALKAN WARS

LES AFFAIRES BALKANIQUES. 1912–1914– Paris, Imprimerie nationale, 1922. 2 vols. 31½ cm. (Ministère des affaires étrangères. Documents diplomatiques.)

Contents: Tome premier, De janvier 1912 à l'armistice de Tchataldja (3 décembre 1912); Tome II, De l'armistice de Tchataldja (3 décembre 1912) au traité de Bucarest (10 août 1913).

Convention franco-russe (mars 1894), *i*, 192; traité de Bucarest, *ii*, 296.

EGYPT

STATUS. Despatch to His Majesty's representatives abroad respecting the status of Egypt. Presented to Parliament by command of His Majesty. London, H. M. Stationery Office, 1922. 3 p. 24½ cm. (Egypt No. 2 (1922). Cmd. 1617.)

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GENOA CONFERENCE

CONFERENCE ECONOMIQUE INTERNATIONALE DE GENES. 9 avril–19 mai, 1922. Paris, Imprimerie nationale, 1922. 186 p. 31½ cm. (Ministère des affaires étrangères. Documents diplomatiques.)

Contents: A, Documents préliminaires; B, Documents relatifs au traité de Rapallo; C, Documents relatifs aux affaires russes; D, Documents relatifs aux commissions techniques.

INTERNATIONAL ECONOMIC CONFERENCE, GENOA. Memorandum sent to the Russian Delegation, Wednesday, May 3, 1922. Presented to Parliament by command of His Majesty. London, H. M. Stationery Office, 1922. 11 p. 24½ cm. (Parl. Pap., 1922. Cmd. 1657.)

INTERNATIONAL ECONOMIC CONFERENCE, GENOA. Resolutions of the Financial Commission recommending certain resolutions for adoption by the Conference. Reports of the Committee of Experts appointed by the Currency and Exchange Sub-Commissions of the Financial Commission. Presented to Parliament by command of His Majesty. London, H. M. Stationery Office, 1922. 10 p. 24½ cm. (Parl. Pap., 1922. Cmd. 1650.)

PAPERS RELATING TO INTERNATIONAL ECONOMIC CONFERENCE, GENOA, April–May, 1922. Presented to Parliament by cmd. of His Majesty. London, H. M. Stationery Office, 1922. 99 p. 24½ cm. (Parl. Pap., 1922. Cmd. 1667.)

RESOLUTIONS ADOPTED BY THE SUPREME COUNCIL AT CANNES, January, 1922, as the basis of the Genoa Conference. Presented to Parliament by command of His Majesty. London, H. M. Stationery Office, 1922. 7 p. 24½ cm. (Parl. Pap., 1922. Cmd. 1621.)

THE GENOA CONFERENCE AND THE LEAGUE OF NATIONS. Memorandum by Secretary-General. Geneva, 1922. 6 p. 32½ cm. (C. 423. M. 257. 1922.)

TELEGRAM FROM M. CHICHERIN, MOSCOW, to the Governments of Great Britain, France and Italy respecting the Genoa Conference. Presented to Parliament by command of His Majesty. London, H. M. Stationery Office, 1922. 4 p. 24½ cm. (Miscellaneous No. 2 (1922). Cmd. 1637.)

GRECO-TURKISH HOSTILITIES

STATEMENT OF ALLIES. Pronouncement by three Allied Ministers for Foreign Affairs respecting the Near Eastern situation. Paris, March 27, 1922. Presented to Parliament by command of His Majesty. London, H. M. Stationery Office, 1922. 6 p. 24½ cm. (Miscellaneous No. 3 (1922). Cmd. 1641.)

HAITI AND THE DOMINICAN REPUBLIC

INQUIRY INTO OCCUPATION AND ADMINISTRATION OF HAITI AND SANTO DOMINGO. Hearings before a select committee on Haiti and Santo Domingo, United States Senate, 67th Congress, first session, pursuant to S. Res. 112. Washington, Government Printing Office, 1921–22. 3 parts, 1197 p. 23½ cm.

REPORT. Inquiry into Occupation and Administration of Haiti and the Dominican Republic. . . . Report. (Pursuant to S. Res. 112.) [Washington, Government Printing Office, 1922.] 37 p. Map. 23½ cm. (67th Cong., 2d sess. Sen. Rept. No. 794.)

INTERNATIONAL BUSINESS

CLAIMS OF AMERICAN CITIZENS AGAINST GERMANY. Message from the President of the United States, transmitting, in response to a Senate resolution of

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December 30, 1920, a report from the Secretary of State in respect to claims against Germany filed with the Department of State by American citizens since August, 1914 .... Washington, Government Printing Office, 1921. 32 p. incl. tables. 32 cm. (66th Cong., 3d sess. Sen. Doc. 419.)

FOREIGN TRADE ZONES IN PORTS of the United States.... Report. To accompany S. 2391....[Washington, Government Printing Office, 1921.] 33 p. incl. tab. 23 cm. (67th Cong., 1st sess. Sen. Rept. 257.)

INTERNATIONAL STATISTICAL COMMISSION. (Paris, October, 1920.) Report (by M. Lucien March) with annexes. Geneva, League of Nations, 1921. 35 double pages. 32½ cm. (A. 10. 1921. E. F. S. 74.)

INTERALLIED DEBTS. ....Refunding of Obligations of Foreign Governments.... Report. To accompany H. R. 8762....[Washington, Government Printing Office, 1922.] 10 p. incl. tables. 23 cm. (67th Cong., 2d sess. Sen. Rept. 400.)

MEMORANDUM ON CENTRAL BANKS. 1913, 1918–1921. Geneva, League of Nations, 1922. 55 p. tables. 28x30 cm.

MEMORANDUM ON CURRENCY, 1913–1921. Geneva [Printed by A. Kundig] 1922. 115 p. incl. tables, diagr. 32½ cm. (At head of title: League of Nations.)

"These tables supplement the statistics given in the currency pamphlet submitted to the International Financial Conference at Brussels."—Introd.

RAW MATERIALS AND FOODSTUFFS. Report on the Problem of Raw Materials and Foodstuffs. By Professor Gini. With annexes prepared under his direction. Geneva, League of Nations, 1922. 251 p. 33 cm.

Contents: Introductory Report; General Report; Annexes: I. Cereals; II. Wool; III. Cotton; IV. Coal; V. Mineral oil; VI. Iron industry; VII. Chemical manures.

REPORT OF THE ALIEN PROPERTY CUSTODIAN. Letter from the alien property custodian transmitting in response to a Senate resolution of January 5, 1922, certain information as to the names of persons connected with the administration of the property in his charge and a statement of property seized or demanded since the passage of the resolution declaring a state of peace to exist with Germany.... Washington, Government Printing Office, 1922. vi, 1062 p. incl. tables. 23 cm. (67th Cong., 2d sess. Sen. Doc. 181.)

SHIPPING. Report on the History of Shipping Discriminations and on Various Forms of Government Aid to Shipping. Compiled by the United States Shipping Board, Washington, D. C. Washington, Government Printing Office, 1922. 44 p. 23 cm.

INTERNATIONAL TRANSIT

PASSPORTS. Replies of the Governments to the Enquiry on the Application of the Resolutions relating to Passports, Customs Formalities and Through Tickets. Geneva, 1922. 70 p. 23 cm. (C. 183. M. 101, 1922. VIII. Advisory and Technical Committee for Communications and Transit.)

ST. LAWRENCE WATERWAY. Message from the President of the United States transmitting a letter from the Secretary of State submitting the report of the International Joint Commission concerning the improvement of the St. Lawrence River between Montreal and Lake Ontario for navigation and power. (With eight maps.) Washington, Government Printing Office, 1922. 184 p. 23 cm. (67th Cong., 2d sess. Sen. Doc. 114.)

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LEAGUE OF NATIONS

ASSEMBLY. SECOND. Plenary Meetings (meetings held from the 5th of September to the 5th of October, 1921). Geneva, 1921. 904, vii p. 29 cm.

———— ———— Meetings of the Committees. . . . Geneva, League of Nations, 1922. 2 vols. 29 cm.

HANDBOOK OF INTERNATIONAL ORGANIZATIONS. (Associations, Bureaus, Committees, etc.) Genève, 1921. 167 p. 25 cm.

Periodicals

MONTHLY BULLETIN OF STATISTICS. 1st– year. Vol. 1– Bulletin No. 1– London, 1919–21; Geneva, 1921– . Tables. 24½ cm.

MONTHLY SUMMARY of the League of Nations. Vol. 1– April, 1921– Geneva, Information Section of the League of Nations [1921–], illus. map. 33½ cm. Caption title.

OFFICIAL JOURNAL. Vol. 1– No. 1– February, 1920– London, Harrison & Sons, 1920; Geneva, League of Nations, 1920– 24 cm.3 3½ cm.
Cumulative Index, Vols. I–II. Vol III incorporates the complete Minutes of the Sessions of the Council.

TREATY SERIES. Publication of treaties and international engagements registered with the Secretariat of the League. Vol. 1– September, 1920– London, Eng., Harrison & Sons, ltd. [1920–21]; Geneva, 1921– 24½ cm.
Index No. 1, Vol. III, No. 4; Index No. 2, Vol. VII, No. 4.

REPARATION

REPARATION. Agreement between the Allies for the settlement of certain questions as to the application of the Treaties of Peace and complementary agreements with Germany, Austria, Hungary, and Bulgaria, signed at Spa, July 16, 1920. Presented to Parliament by command of His Majesty. London, H. M. Stationery Office, 1922. 10 p. 24½ cm. (Parl. Pap., 1922. Cmd. 1615.)

REPARATION. Decision of the Reparation Commission on the subject of payments to be made by Germany in 1922. Presented to Parliament by command of His Majesty. London, H. M. Stationery Office, 1922. 8 p. 24½ cm. (Parl. Pap., 1922. Cmd. 1634.) (Dated March 21, 1922.)

REPARATION. Financial Agreement between Belgium, France, Great Britain, Italy and Japan, together with a covering note by the finance ministers signed at Paris, March 11, 1922. Presented to Parliament by command of His Majesty. London, H. M. Stationery Office, 1922. 11 p. 23½ cm. (Parl. Pap., 1922. Cmd. 1616.)

TREATY OF VERSAILLES (DELIVERIES IN KIND). Papers relating to the Agreement between the French and German Governments concerning the application of Part VIII of the Treaty of Versailles regarding deliveries in kind. Presented to Parliament by command of His Majesty. London, H. M. Stationery Office, 1921. 20 p. 23½ cm. (Parl. Pap., 1921. Cmd. 1547.)
The Wiesbaden agreement of October 6, 1921.

RUSSIA

DEBTS. Correspondence with M. Krassin respecting Russia's Foreign Indebtedness. . . . London, H. M. Stationery Office, 1921. 6 p. 33 cm. (Russia. No. 3, 1921. Parl. Paps., 1921. Cmd. 1546.)

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INFORMATION ON RUSSIA. Report (political and economic) of the Committee to Collect Information on Russia. Presented to Parliament by command of the King. Washington, Government Printing Office, 1921. 217 p. 23½ cm. (67th Cong., first sess. Sen. Doc. No. 50.)

Reprinted from British Parl. Paps. Russia No. 1 (1921). Cmd. 1240.

THE RUSSIAN STATES. A description of the various political units existing on Russian territory (with two maps) compiled from material supplied by the British Trade Mission in Moscow. London, H. M. Stationery Office, 1922. 10 p. 24½ cm.

TERRITORIAL AGREEMENTS

NEW HEBRIDES. Protocol respecting the New Hebrides. Signed at London on August 6, 1914, by representatives of the British and French Governments. (Ratifications exchanged at London, March 18, 1922.) Presented to Parliament by command of His Majesty. London, H. M. Stationery Office, 1922. 83 p. 24½ cm. (Treaty Series No. 7 (1922). Cmd. 1681.)

UPPER SILESIA. Convention germano-polonaise relative à la Haute Silésie, faite à Genève le 15 mai 1922. Genève, Société des Nations, 1922. 309 p. 24½ cm.

This treaty, the longest ever made, 606 articles, establishes the régime under which Upper Silesia is to be governed for 15 years.

AALAND ISLANDS. Convention respecting the non-fortification and neutralisation of the Aaland Islands. Signed at Geneva, October 20, 1921. (Ratifications exchanged at Geneva, April 6, 1922.) Presented to Parliament by command of His Majesty. London, H. M. Stationery Office, 1922. 15 p. 24½ cm. (Treaty Series 1922. No. 6. Cmd. 1680.)

WASHINGTON CONFERENCE

THE FOUR-POWER TREATY AND SUPPLEMENTARY AGREEMENT. Message from the President of the United States, transmitting a response to Senate resolution asking for information relating to the Four-Power treaty and supplementary agreement. [Washington, Government Printing Office, 1922.] 1 p. 23½ cm. (67th Cong., 2d sess. Sen. Doc. 130.)

JAPANESE MANDATES. Treaty between the United States and Japan regarding rights of the two governments and their respective nationals in former German islands in the Pacific Ocean north of the Equator, and in particular the Island of Yap. Signed at Washington, February 11, 1922. Washington, Government Printing Office, 1922. 6 p. 23½ cm. (Treaty Series, No. 664.)

SHANTUNG. Treaty between China and Japan for the settlement of outstanding questions relating to Shantung—with agreement supplementary thereto. Concluded at Washington, February 4, 1922. Washington, Government Printing Office, 1922. 14 p. 23½ cm. (67th Cong., 2d sess. Sen. Doc. No. 166.)

Without signatures attached. For signatures attached, see *Amer. Journ. of Int. Law* XVI, No. 2, Sup., 84.

TREATIES. Conference on Limitation of Armament. Washington, 1921–22. (Treaties, resolutions, etc.) Presented to Parliament by command of His Majesty. London, H. M. Stationery Office, 1922. 88 p. 24½ cm. (Miscellaneous No. 1 (1922). Parl. Pap., 1922. Cmd. 1627.)

A Bill entitled an Act for enabling effect to be given to two treaties signed at Washington ... London, H. M. Stationery Office, 1922. 8 p. 27½ cm. (At head of title: Treaties of Washington.) (Parl. Pap., 1922, House of Commons, 106.)

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SOURCE MATERIAL

II

PUBLIC DOCUMENTS UNOFFICIALLY PRINTED

By Denys P. Myers

Relations between states are indexed in English alphabetical order under the name of the first state party thereto.

The *Bulletin de l'Institut intermédiare international* is itself an index of international affairs. At present it carries departments with the following titles: La genèse de la paix; Chronique de faits et événements d'importance internationale; L'application du traité de paix avec l'Allemagne; Dispositions concernant l'exécutiondes traités de paix; la Société des Nations; Aperçu des rapports diplomatiques et de la reconnaisance de nouveaux États; Aperçu des rapports conventionnels internationaux; Liste de documents officiels des divers États et de la Société des Nations; Aperçu des réunions internationales. *The American Journal of International Law* each quarter publishes a Chronicle of International Events.

ALLIED POWERS-GREECE—Treaty relative to Thrace, Sèvres, Aug. 10, 1920, *Amer. Journ. of Int. Law*, XVI, No. 2, *Sup.* 126.

AMERICAN RELIEF ADMINISTRATION-RUSSIAN SOVIET GOVERNMENT—Agreement for famine relief, Riga, Aug. 20, 1921 (part), *Current History*, Jan., 1922, p. 633.

ARMAMENT—*Reduction*—LEAGUE OF NATIONS, TEMPORARY MIXED COMMISSION—Project of Lord Robert Cecil, *Le Temps*, July 5, 1922, p. 6. Resolution adopted, *Le Temps*, July 6, 1922, p. 1.

AUSTRIA-CZECHOSLOVAKIA — Agreement signed at Vienna (Lana), Dec. 16, 1921, *L'Europe nouvelle*, Jan. 7, 1922, p. 25.

AUSTRIA-UNITED STATES—Treaty establishing friendly relations, Vienna, Aug. 24, 1921, *Current History*, Jan., 1922, p. 695; *International Conciliation*, No. 170. Treaty Series No. 659.

BRAZIL-GREAT BRITAIN—Treaty for establishment of peace commission, Rio de Janeiro, Apr. 4, 1919, *Amer. Journ. of Int. Law*, XVI, No. 3, *Sup.* 99.

CENTRAL AMERICA—Pact of union, San José, Jan. 19, 1921, *Bulletin de l'Institut intermédiaire*, V, 130; *Treaty Series*, V, 9.

CHINA-JAPAN—Treaty for the settlement of outstanding questions relative to Shantung, Feb. 4, 1922, *Amer. Journ. of Int. Law*, XVI, No. 2, *Sup.* 84–94; (incomplete) *Current History*, March, p. 1030.

The text as given in Conference on the Limitation of Armament (67th Cong., 2d sess., Sen. Doc. No. 126), 125–132, is incomplete.

CHINA-JAPAN—Twenty-one demands of January 18, 1915, *Current History*, Feb., 1922, p. 828.

CHINA-UNITED STATES—Treaty on import duty into China, Washington, Oct. 20, 1920, *Amer, Journ. of Int. Law*, XVI, No. 3, *Sup.* 101. Reprints Treaty Series No. 657.

COLOMBIA-UNITED STATES—Treaty for settlement of differences, Bogotá, April 6, 1914, *Amer. Journ. of Int. Law*, XVI, No. 3, *Sup.* 119. Reprints Treaty Series No. 661.

COMMUNISM—*Ninth Congress of Soviets*—Resolutions on economic policy, *L'Europe nouvelle*, Feb. 11, 1922, p. 183.

CONFERENCE ON THE LIMITATION OF ARMAMENT, Nov. 12, 1921, to Feb. 6, 1922—Treaties and resolutions, *Amer. Journ. of Int. Law*, XVI, No. 2, *Sup.* 41–83; *Current History*, March, p. 1017–21; French texts, *L'Europe nouvelle*, March 11, p. 302.

CZECHOSLOVAKIA — RUSSIAN SOVIET GOVERNMENT—Provisional

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treaty signed June 5, 1922, at Prague, *L'Europe nouvelle*, July 1, p. 821; summary, *New York Times*, July 23, p. E 5.

DOMINICAN REPUBLIC—Announcement of plan for withdrawing American military forces, July 11, 1922, *Current History*, Aug., p. 741.

ESTHONIA-FINLAND-LATVIA-POLAND—Treaty of Warsaw, March 17, 1922, *Current History*, June, p. 471; *L'Europe nouvelle*, April 8, p. 436.

EUROPEAN FRONTIERS—*Principal Allied and Associated Powers and Czechoslovak State, Poland, Rumania, and Serb-Croat-Slovene State*—Treaty, Sèvres, Aug. 10, 1920, *Amer. Journ. of Int. Law*, XVI, No. 3, *Sup.* 148. Reprints British Treaty Series, 1921, No. 20.

FRANCE — *Parliament* — CHAMBER OF DEPUTIES—DEBATE ON FOREIGN RELATIONS—Poincaré speech, *Le Temps*, June 3, 1922; vote of confidence, 436 to 96, *ibid.*, June 4.

FRANCE—Premier Poincaré's address at Bar-le-Duc, April 24, 1922, *L'Europe nouvelle*, May 20, p. 626.

FRANCE-GREAT BRITAIN—Convention respecting mandates for Syria, and the Lebanon, Palestine and Mesopotamia, Paris, Dec. 23, 1920, *Amer. Journ. of Int. Law*, XVI, No. 3, *Sup.* 122; *Current History*, Jan., 1922, p. 655.

FRANCE-GREAT BRITAIN—Project of alliance considered at Cannes, January, *Current History*, February, 1922, p. 880; *L'Europe nouvelle*, Jan. 21, 1922, p. 655. See Genoa Conference, *Resolutions adopted . . . at Cannes*, above.

FRANCE-TURKEY (ANGORA)—Treaty of peace, Angora, Oct. 20, 1921, *Current History*, Jan., 1922, p. 661; French text, *L'Europe nouvelle*, Nov. 5, 1921, p. 1437; *Bulletin de l'Institut intermédiare*, VI, 242.

Anglo-French correspondence, Nov. 5–Dec. 10, 1921, *Current History*, April, 1922, p. 58.

GENOA ECONOMIC CONFERENCE (see Source Material I)—Statement of British Government at Cannes, Jan. 4, 1922, *London Times*, Jan. 12, p. 9; *L'Europe nouvelle*, Jan. 21, p. 76.

Program, Cannes, Jan. 11, *New York Times*, Jan. 12, p. 1; *L'Europe nouvelle*, Jan. 21, p. 86.

American reply to invitation, March 8, *New York Times*, March 10.

French note on agenda, Feb. 9, *Le Temps*, Feb. 11, p. 1; *L'Europe nouvelle*, March 4, p. 278.

On conference generally, see *Current History*, June, p. 497–503.

Letters of Pope to Archbishop of Genoa and Cardinal Gasparri, April 7 and 29, *L'Europe nouvelle*, May 27, p. 663.

German-Russian treaty of Rapallo, see Germany and Rapallo.

FINANCIAL COMMISSION—Report (shortened text), *London Times*, April 15, 1922, p. 18; French text, *L'Europe nouvelle*, May 13, p. 594.

TRANSPORT COMMISSION—Report, April 30, 1922, *L'Europe nouvelle*, May 13, p. 597.

RUSSIA—Memorandum sent to the Russian delegation, May 3, *L'Europe nouvelle*, May 20, p. 629 (not published periodically elsewhere).

Reply of the Russian delegation, May 11, *Current History*, June, p. 495; French, *L'Europe nouvelle*, May 27, p. 657.

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